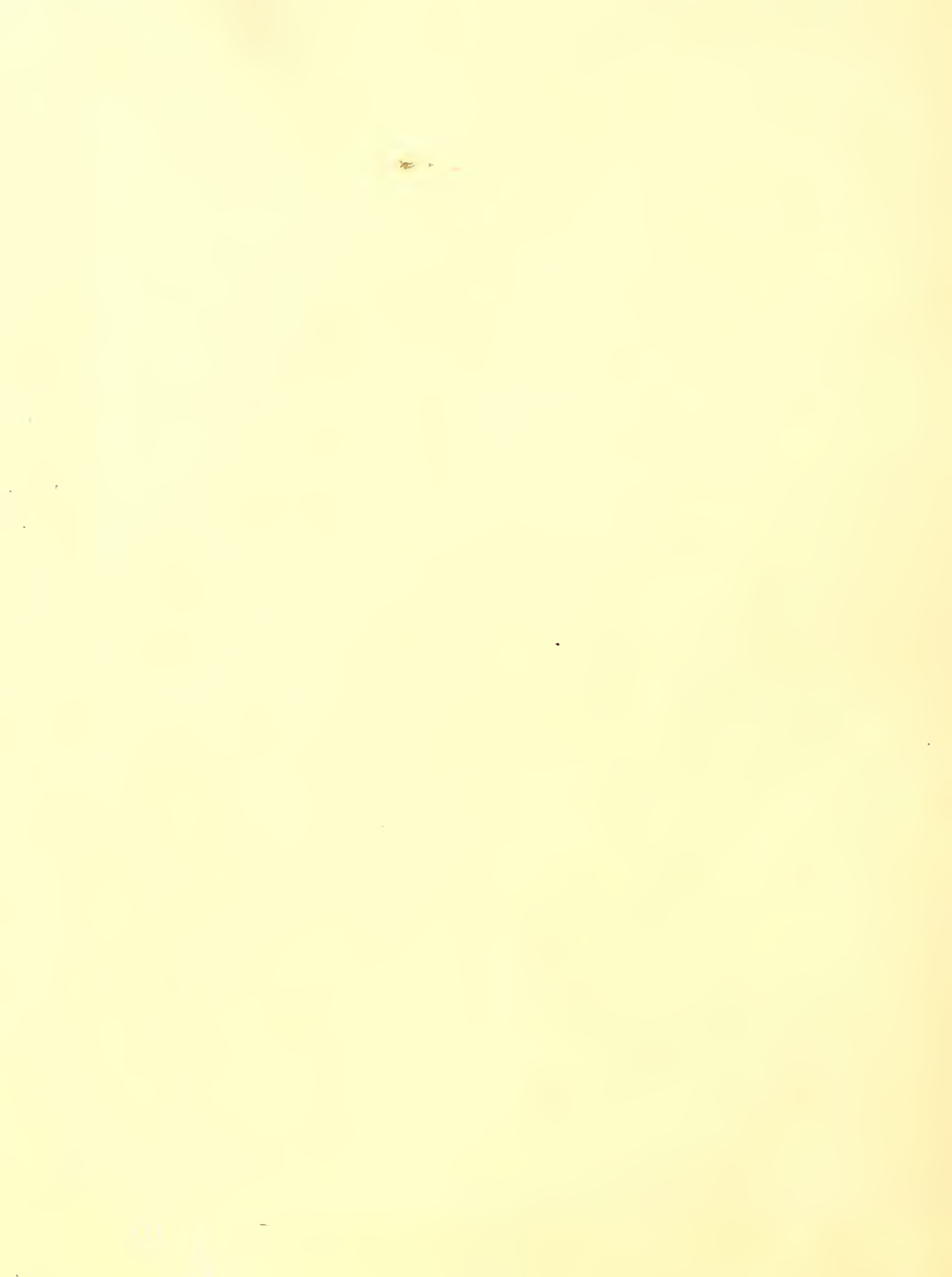


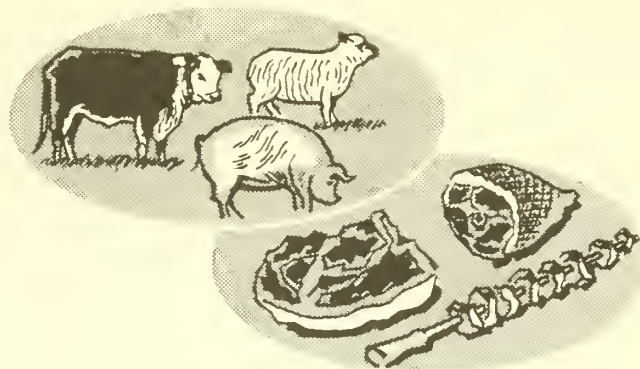
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LIVESTOCK and MEAT SITUATION

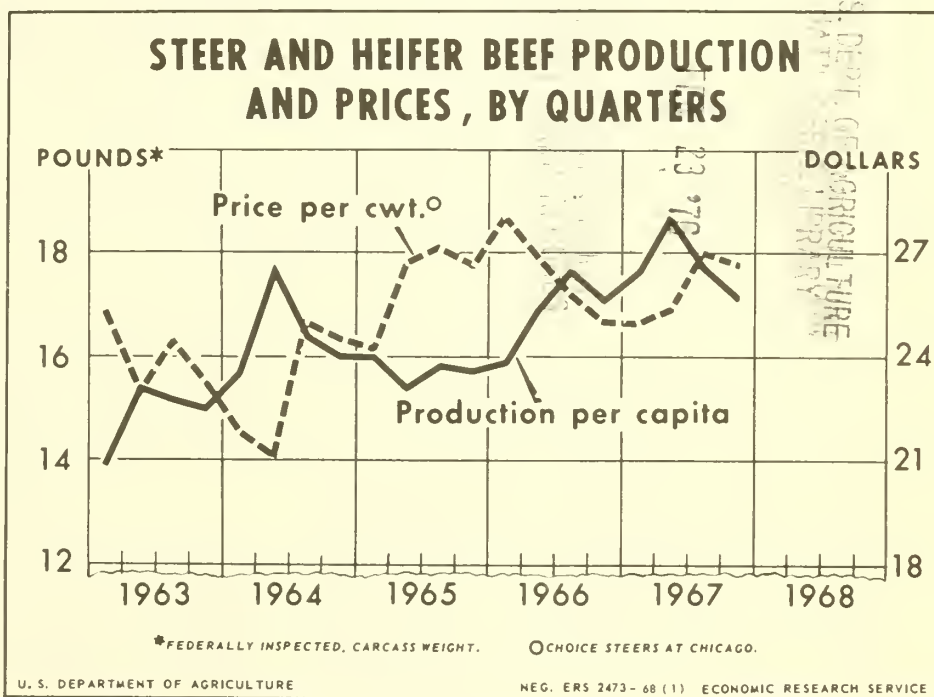


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FEBRUARY 1968

Steer and heifer beef production in the first half of 1968 is expected to run about the same or a little larger than during January-June 1967. Marketings out of feedlots likely will be up in the first half, but slaughter weights are expected to be somewhat lighter.

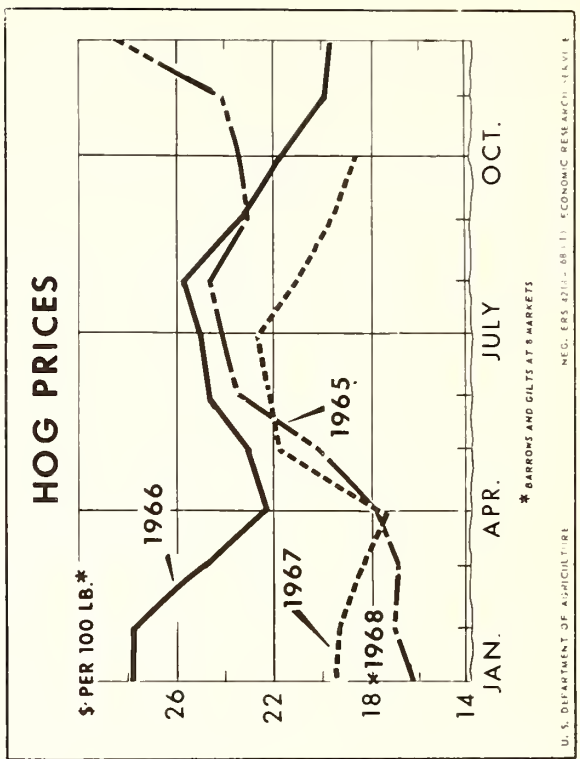
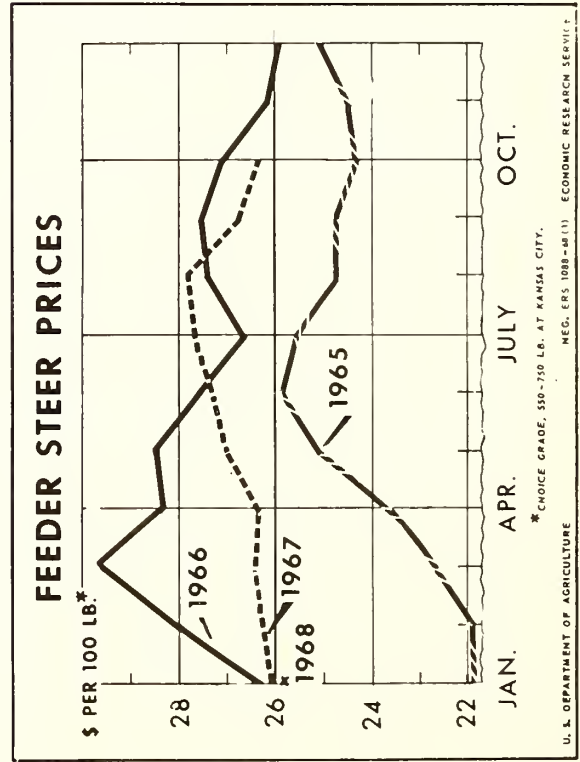
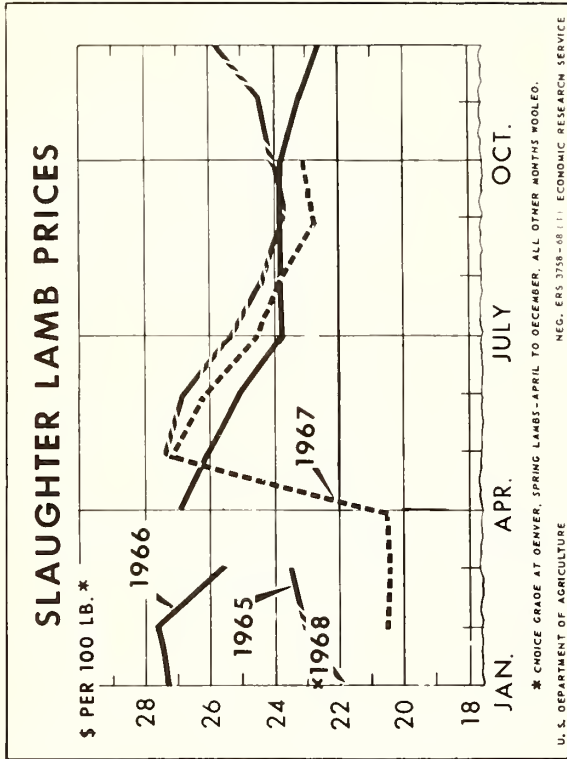
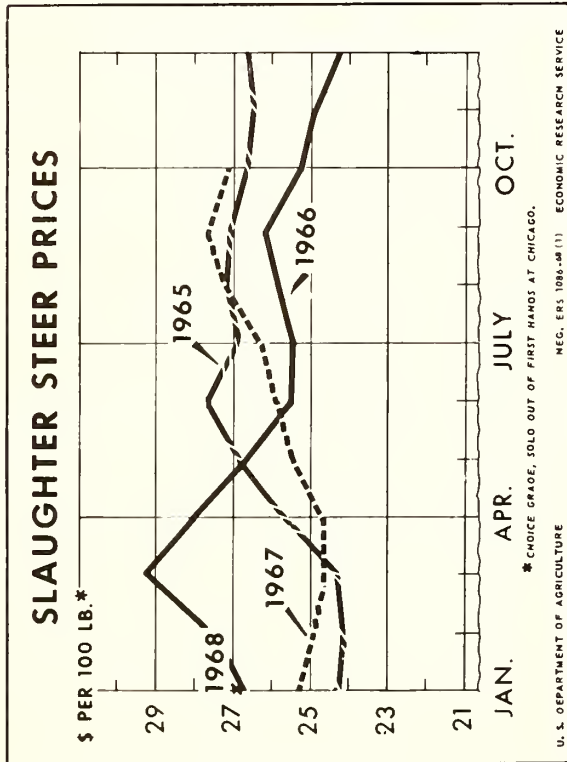
Prices of Choice steers at Chicago averaged \$26.80 in January. Prices are expected to continue around January levels during the rest of the winter, but may be somewhat weaker next spring as fed cattle marketings rise above winter levels.



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1968 HOG OUTLOOK
INDEX TO 1967 ISSUES
MARKET WEIGHTS AND RETURNS
HEAVY LAMB--RETAIL VALUE

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LIVESTOCK AND MEAT SITUATION

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SUMMARY

Livestock producers increased 1967 meat output 5 percent over that of 1966. Gains in 1967 were larger in the first half of the year. Continued large quantities of red meat are in prospect in the first half of 1968, but any increase over 1967 likely will be small.

Beef production during January-June 1968 is expected to be only slightly larger than a year earlier. Marketings out of feedlots will be up, but cow slaughter most likely will decline further. Pork production is expected to be slightly larger in the first half. Both veal and lamb production are expected to be smaller.

Cattle

Fed cattle marketings this winter probably will be a little larger than a year ago, since cattle feeders plan to market 2 percent more cattle out of feedlots this winter than a year earlier. However, production of fed beef probably will be up less, since heifers likely will account for most of the increase in fed cattle marketings this winter and

average weights are expected to be held below a year ago.

Fed cattle marketings next spring likely will be above this winter's levels and may be nearly equal to the large marketings last spring. The number of cattle on feed at the beginning of this year in weight groups that will supply a substantial part of spring marketings was about the same as last year. Spring slaughter supplies will also include some of the cattle placed on feed early this year.

Fed cattle prices in January averaged about \$26.80 per 100 pounds, Choice steers at Chicago. This was about \$1.60 higher than a year earlier. Fed cattle prices are expected to average around January levels during the rest of the winter. Prices may weaken in the spring, but are expected to be above last spring, when Choice steers at Chicago averaged about \$25.30 per 100 pounds. Larger supplies of pork and poultry than a year earlier will provide keen competition for beef.

*The summary of this report was released on February 1, 1968.

Hogs

Hog slaughter in the first half of 1968 will reflect the 2 percent larger 1967 fall pig crop. The number of hogs on farms on December 1 in weight groups that will reach slaughter weights this winter was the same as a year ago. However, there were 3 percent more hogs in weight groups that will be ready for market next spring.

Prices of barrows and gilts at 8 markets were \$18.75 per 100 pounds in late January, about 75 cents lower than a year earlier. With small increases in hog slaughter and large supplies of other meats in prospect, much the same type of situation is expected during the next few months.

Hog prices in the second half of 1968 will depend largely on the size of this year's spring pig crop. With a growing population and increasing consumer incomes, demand will be strong. On December 1 producers reported plans to have about as many sows farrow during December 1967-May 1968 as in these months a year earlier. If these plans are carried out, the spring pig crop would be about

the same as in 1967 and hog prices next fall would average moderately above last fall's prices. However, the large corn crop and lower feed prices may cause producers to step up farrowings and feed to heavier weights. Should this happen, prices next fall would be lower.

Sheep and Lambs

The number of lambs on feed on January 1, 1968, totaled 2.9 million head--9 percent fewer than a year earlier. Since the bulk of winter slaughter supplies are fed lambs, lamb slaughter during the rest of the winter likely will continue generally below a year earlier. Spring slaughter is expected to be smaller than a year earlier, although perhaps by a narrower margin than during the winter.

Prices of Choice slaughter lambs at most markets in late January were about \$1 to \$2 per 100 pounds above a year ago. The seasonal price decline this winter likely will be less than usual, and prices may strengthen before new crop marketings get underway. As usual, spring lamb prices will be sharply above prices of winter fed lambs, averaging the same as or a little higher than last spring.

CATTLE

Fed cattle marketings in 1967 in the 32 states for which data are available were the largest on record, 21.7 million head, up 6 percent from 1966. Commercial cattle slaughter totaled 33.9 million head--about the same as in 1966 and 27 percent more than the 1958-65 average, a period of increasing cattle numbers. A 5 percent increase in steer and heifer slaughter under Federal inspection in 1967 more than offset a 9 percent drop in cow slaughter.

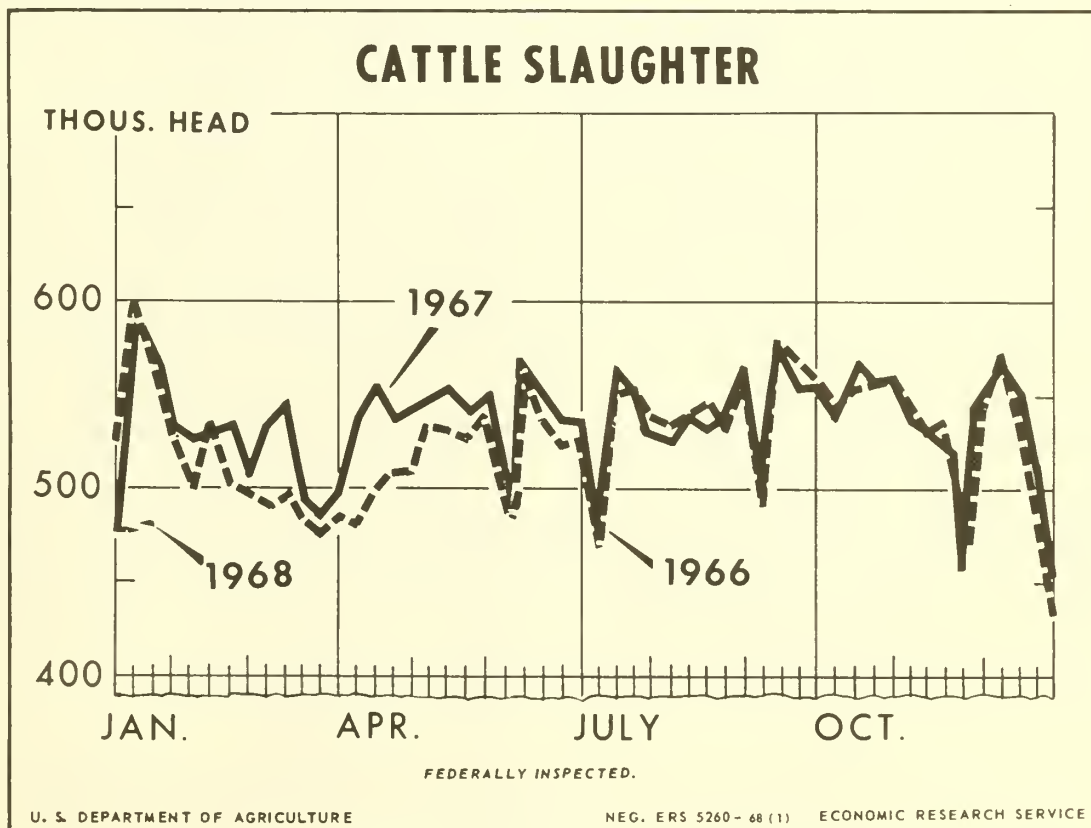
Calf slaughter continued to decline in 1967. Commercial slaughter of calves totaled 5.9 million head, 11 percent below 1966 and the smallest since 1916. However, despite record cattle slaughter

and an 11 percent increase in pork output in 1967, fed cattle prices averaged only slightly below a year earlier. Choice grade steer prices in Chicago averaged about \$25 in early January 1967, declined slightly to \$24.50 in the spring, before advancing to over \$28 in early September--about \$2 above a year earlier. Prices weakened in the fall but by late December were still \$2 above a year earlier.

Feeder cattle prices generally strengthened through the first 8 months of the year, rising from \$26.20 per 100 pounds in January to \$27.80 by August (550-750 pound Choice grade feeder steers at Kansas City). They declined from the mid-summer peak to \$25.90 in early

Table 1 .--Steer and heifer beef production under Federal inspection, United States, by month, 1965-67

Month	Steer beef production			Heifer beef production		
	1965	1966	1967	1965	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
January	788	764	832	246	305	345
February	704	666	761	221	272	299
March	804	737	840	269	307	341
April	713	714	802	244	290	338
May	732	775	902	237	306	353
June	761	841	903	250	324	337
July	727	757	817	254	312	301
August	714	814	843	298	359	355
September	697	789	778	334	363	353
October	677	754	811	338	352	364
November	673	756	744	313	334	336
December	721	782		296	334	



November, then strengthened slightly during the balance of the year. In December, they averaged \$26.

Although fewer cows were slaughtered than a year earlier, Utility grade cows at Chicago averaged \$17.50 per 100 pounds--about 50 cents below 1966. However, except for 1966, this was the highest average price for Utility cows since 1959. An increase in the supply of other processing meats, largely pork, was a major factor contributing to lower cow prices. In 1967, an 11 percent increase in pork production and larger imports of beef and veal substantially increased the available supply of processing meats.

Cattle slaughter in 1968 is expected to total about the same as last year, but the slaughter mix will change slightly. Steer and heifer slaughter likely will increase again, making up a larger proportion of the total, while cow slaughter probably will be smaller than in 1967.

Supplies of other meats are expected to continue large. The supply of pork in the first half of 1968 probably will be a little larger than a year earlier. The supply of veal and lamb likely will be smaller than a year earlier while output of broilers may be much the same as the large supply a year earlier. Turkey supplies will be larger because of the large carryover of cold storage stocks into 1968.

Fed Cattle Marketings To Continue Large

Fed cattle marketings are expected to continue large in the first half of the year as a result of the increase in the number of cattle on feed early this year. There were 11.5 million head of cattle and calves on feed January 1-- 2 percent more than a year earlier and the largest number on record. All of the increase was in heifers--up 5 percent. The number of steers on feed was about the same as a year earlier.

On January 1, cattle feeders stated intentions to market 5.3 million

head of cattle out of feedlots during January-March--2 percent more than a year earlier and about 4 percent more than during October-December 1967. Compared with a year earlier, the bulk of the increase in marketings in January-March will be heifers, since there were 7 percent more heifers weighing 700 pounds and over but 2 percent fewer steers weighing more than 900 pounds on January 1. This represents a net increase of 1 percent for the 2 classes and weights. These cattle make up the bulk of fed cattle marketings in January-March. Thus, in order to achieve their stated intentions of marketing 2 percent more cattle in January-March, cattle feeders will have to go deeper into the lighter-weight groups for slaughter supplies than they did last year and/or increase marketings of short fed cattle.

This winter, most of the increase in fed cattle marketings over a year earlier will occur in the Western States, Southern Plains, and Western Corn Belt. Feeders in Texas, Oklahoma, and Colorado plan to market 11 percent more than a year earlier, while feeders in Iowa and Illinois plan an 8 percent decrease.

Fed beef supplies this winter may increase less than fed cattle marketings, since slaughter weights likely will average below a year earlier. Slaughter weights of fed cattle averaged under a year earlier through the last half of 1967. In December, weights of all steers sold out of first hands at 15 markets averaged 1,123 pounds--17 pounds below a year ago. However, they were heavier than in other recent years. Although slaughter weights are expected to continue relatively heavy this winter, they will not exceed year-earlier levels if marketing intentions materialize. In the spring, there may be some tendency for feeders to hold cattle if prices weaken. In this event, weights likely would add further to supplies.

Average Weights to Continue Below Year Earlier

During most of 1967, heavy fed steers sold at a premium over lighter weights of the same grade. Prices of

Table 2.--Average live weight of steers sold out of first hands
at 7 markets, by months, 1964 to date

PRIME

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,231	1,218	1,266	1,270	1,263	1,273	1,274	1,268	1,271	1,265	1,239	1,232	1,255
1965	1,239	1,237	1,249	1,253	1,261	1,249	1,240	1,244	1,252	1,227	1,218	1,213	1,238
Change from 1964	+8	+19	-17	-17	-2	-24	-34	-24	-19	-38	-21	-19	-17
1966	1,221	1,224	1,224	1,243	1,243	1,240	1,223	1,238	1,253	1,237	1,215	1,188	1,224
Change from 1965	-18	-13	-25	-10	-18	-9	-17	-6	+1	+10	-3	-25	-14
1967	1,202	1,212	1,226	1,229	1,245	1,245	1,237	1,248	1,248	1,228	1,224	1,216	1,230
Change from 1966	-19	-12	+2	-14	+2	+5	+14	+10	-5	-9	+9	+28	+6

CHOICE

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,182	1,187	1,193	1,184	1,172	1,167	1,150	1,129	1,121	1,125	1,136	1,148	1,159
1965	1,155	1,152	1,142	1,141	1,136	1,130	1,113	1,101	1,098	1,100	1,118	1,134	1,126
Change from 1964	-27	-35	-51	-43	-36	-37	-37	-28	-23	-25	-18	-14	-33
1966	1,151	1,143	1,135	1,139	1,144	1,148	1,133	1,126	1,119	1,128	1,139	1,144	1,138
Change from 1965	-4	-9	-7	-2	+8	+18	+20	+25	+21	+28	+21	+10	+12
1967	1,159	1,156	1,152	1,153	1,155	1,143	1,133	1,115	1,116	1,116	1,132	1,132	1,139
Change from 1966	+8	+13	+17	+14	+11	-5	0	-11	-3	-12	-7	-12	+1

GOOD

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,129	1,124	1,119	1,096	1,080	1,062	1,038	1,024	1,040	1,050	1,069	1,074	1,076
1965	1,085	1,062	1,046	1,044	1,043	1,034	1,014	1,016	1,020	1,037	1,060	1,084	1,048
Change from 1964	-44	-62	-73	-52	-37	-28	-24	-8	-20	-13	-9	+10	-28
1966	1,098	1,076	1,066	1,060	1,072	1,070	1,047	1,038	1,046	1,068	1,100	1,124	1,071
Change from 1965	+13	+14	+20	+16	+29	+36	+33	+22	+26	+31	+40	+40	+23
1967	1,116	1,098	1,091	1,081	1,080	1,069	1,051	1,035	1,052	1,054	1,076	1,088	1,076
Change from 1966	+18	+22	+25	+21	+8	-1	+4	-3	+6	-14	-24	-36	+5

ALL GRADES

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,166	1,168	1,170	1,152	1,140	1,134	1,115	1,099	1,094	1,102	1,114	1,121	1,132
1965	1,127	1,116	1,103	1,101	1,105	1,105	1,092	1,081	1,084	1,088	1,106	1,123	1,103
Change from 1964	-39	-52	-67	-51	-36	-29	-23	-18	-10	-14	-8	+2	-29
1966	1,141	1,127	1,118	1,119	1,126	1,128	1,113	1,112	1,111	1,122	1,139	1,145	1,125
Change from 1965	+14	+11	+15	+18	+22	+23	+21	+31	+27	+34	+33	+22	+22
1967	1,153	1,146	1,140	1,138	1,143	1,134	1,124	1,107	1,112	1,110	1,126	1,127	1,131
Change from 1966	+12	+19	+22	+19	+17	+6	+11	-5	+1	-12	-13	-18	+6

Table 3.--Number of cattle and calves on feed January 1, by regions, and percent change from previous year, 1964 to date

Year	North Central States			Texas and Okla- homa	Western States	Total 1/
	East	West				
	North	North	Total			
	Central	Central				
	1,000	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head	head
1964	1,740	4,525	6,265	597	2,455	9,845
1965	1,685	4,640	6,325	603	2,504	9,979
Percent change from 1964	-3.2	+2.5	+1.0	+1.0	+2.0	
1966	1,767	4,920	6,687	667	2,677	10,582
Percent change from 1965	+4.9	+6.0	+5.7	+10.6	+6.9	
1967	1,777	5,365	7,142	844	2,763	11,268
Percent change from 1966	+0.6	+9.0	+6.8	+26.5	+3.2	
1968	1,722	5,415	7,137	991	2,798	11,451
Percent change from 1967	-3.1	+0.9	-0.1	+17.4	+1.3	

1/ 39 State total.

900-1100 pound Choice grade steers at Chicago averaged 25 cents above 1100-1300 pounds steers in January and February.

But during the remainder of the year, when the relative supply of heavy cattle declined, the heavier weight group averaged around 40 cents above the lighter weight cattle. In late 1967 and early 1968, as average weights increased, prices of 1100-1300 pound Choice grade steers continued slightly above 900-1100 pound animals at Chicago.

Although cattle feeders often tend to hold cattle on feed longer on a weak market, the practice seldom pays. Even on a steady or rising market it is difficult to increase profit margins, since additional finish on an animal that has reached minimum grade requirements is substantially more costly than earlier weight gains. When extended feeding is widely practiced throughout the industry, the result is usually severe price discounts for over-finished cattle. Also, heavier weights add to the total beef supply. This depresses prices of all beef cattle. (See special article in this issue, "The Costs of Feeding to Heavier Weights.")

Fed Cattle Prices Steady This Winter

Fed cattle prices generally declined from late summer 1967 through the end of the year. In late December, Choice grade steers at Chicago were near \$26, \$2 below early September, but \$1.50 above a year earlier. Prices strengthened 50 cents in early January. If fed cattle marketings are up 2 percent during January-March, as cattle feeders planned on January 1, fed cattle prices for the winter likely will remain near January levels. Although relatively smaller supplies of non-fed beef (compared to a year earlier) will be a strengthening factor, continued large pork and poultry supplies will be partly offsetting.

Fed cattle marketings are expected to continue large in the spring--depending in part on the volume of winter marketings and the number and weight of cattle placed on feed in the winter. Considering the number of cattle on feed January 1, if marketing intentions materialize this winter, the April 1 carryover of cattle on feed January 1 will be up slightly from a year earlier. Thus, marketings are expected to continue large in the spring. But

Table 4 --Steer prices at Chicago by weight group and differences
between grades, by months, 1966-67

Month	Prime						Difference in prices between Prime and Choice (all weights)	
	1966			1967			1966	1967
	900-1100: Pounds	1100-1300: Pounds	Margin: 1/	900-1100: Pounds	1100-1300: Pounds	Margin: 1/		
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	27.42	27.60	+0.18	25.99	25.73	-0.26	0.88	0.52
February	28.52	28.84	+ .32	25.69	25.66	- .03	1.48	.80
March	30.31	31.24	+ .93	25.42	25.76	+ .34	2.60	1.20
April	29.00	29.83	+ .83	25.17	25.80	+ .63	2.15	1.32
May	27.74	28.24	+ .50	25.84	26.30	+ .46	1.55	.94
June	26.27	26.51	+ .24	26.16	26.64	+ .48	1.23	.90
July	25.88	26.28	+ .40	26.67	27.11	+ .44	1.06	.81
August	26.26	26.88	+ .62	27.48	28.12	+ .64	1.13	1.09
September	26.40	26.89	+ .49	27.88	28.69	+ .81	.96	1.30
October	25.81	26.20	+ .39	---	28.14		.80	1.16
November	25.28	25.44	+ .16	---	27.54		.57	1.10
December	25.08	24.89	- .19	---	27.34		.40	1.02

	Choice						Difference in prices between Choice and Good (all weights)	
	1966			1967			1966	1967
	900-1100: Pounds	1100-1300: Pounds	Margin: 1/	900-1100: Pounds	1100-1300: Pounds	Margin: 1/		
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	26.74	26.72	-0.02	25.34	25.06	-0.28	1.45	0.98
February	27.63	27.78	+ .15	24.90	24.70	- .20	1.60	.86
March	28.89	29.53	+ .64	24.53	24.68	+ .15	2.22	.98
April	27.90	28.31	+ .41	24.29	24.71	+ .42	1.75	1.03
May	26.72	27.08	+ .36	25.05	25.55	+ .50	.99	1.09
June	25.39	25.71	+ .32	25.45	25.70	+ .25	.69	1.29
July	25.28	25.41	+ .13	25.99	26.17	+ .18	1.11	1.18
August	25.61	25.90	+ .29	26.66	27.23	+ .57	1.20	1.28
September	25.70	26.00	+ .30	26.94	27.78	+ .84	1.08	1.39
October	25.20	25.48	+ .28	26.82	27.28	+ .46	.71	1.14
November	24.75	24.72	- .03	26.31	26.60	+ .29	1.03	.99
December	24.54	24.18	- .36	26.08	26.24	+ .16	.70	1.28

1/ Amount 1100-1300 pounds is above 900-1100 pounds.

the margin above last spring's very high level may be small. Nevertheless, spring marketings likely will exceed winter marketings, resulting in some downward pressure on prices.

West Coast Prices Higher

In 1967, Choice grade steer prices in California averaged about 50 cents above Chicago prices, while in 1966 prices in California averaged 20 cents below Midwest prices. Such price relationships generally follow changes in regional fed cattle supplies and affect movement of beef from one area to another.

Nationally, cattle feeders expect to market about 2 percent more fed cattle while Arizona and California feeders plan to market 7 percent fewer cattle out of feedlots during January-March than a year earlier. Thus, West Coast prices likely will continue generally above Corn Belt prices during the next several months. Consequently, relatively more fed beef from the swing states, such as Colorado, likely will move west through the winter and spring.

Feeder Cattle Supply

The supply of feeder cattle this year probably will not be much different than in 1967. Although 6 percent more fed cattle were marketed last year than in 1966, the larger supply of feeder stock on January 1, 1967, together with a larger beef calf crop and reduced calf slaughter, probably was about offsetting.

In early January, yearling feeder cattle prices were slightly below both year-earlier levels and fed cattle prices. In Kansas City, 550-750 pound Choice grade feeder steers averaged near \$25.75. Feeder cattle prices likely will move with the fed cattle market in the months ahead although they may show a somewhat stronger tone.

During the first 7 months of 1967 fed cattle prices averaged about \$1.60 per 100 pounds below their cost as yearling feeders. (Choice grade 900-1100 pound slaughter steers, Chicago, compared with

Choice grade 550-750 pound feeder steers at Kansas City 5 months earlier.) In late summer, slaughter steers averaged a little above their cost as feeders.

Fed Cattle Prices in 1967 and Feeder Cattle Prices 5 months earlier			
Year	Fed	Feeder	Margin
1967	Cattle 1/	Cattle 2/	
Jan.	25.34	27.42	-2.08
Feb.	24.90	27.51	-2.61
Mar.	24.53	27.07	-2.54
Apr.	24.29	26.35	-2.06
May	25.05	25.80	-.75
June	25.45	26.16	-.71
July	25.99	26.28	-.29
Aug.	26.66	26.44	+.22
Sept.	26.94	26.39	+.55
Oct.	26.82	27.04	-.22
Nov.	26.31	27.34	-1.03
Dec.	26.08	27.68	-1.60
:			
1/ Choice steers at Chicago, 900-1100 pounds.			
2/ Choice steers at Kansas City, 550-750 pounds.			

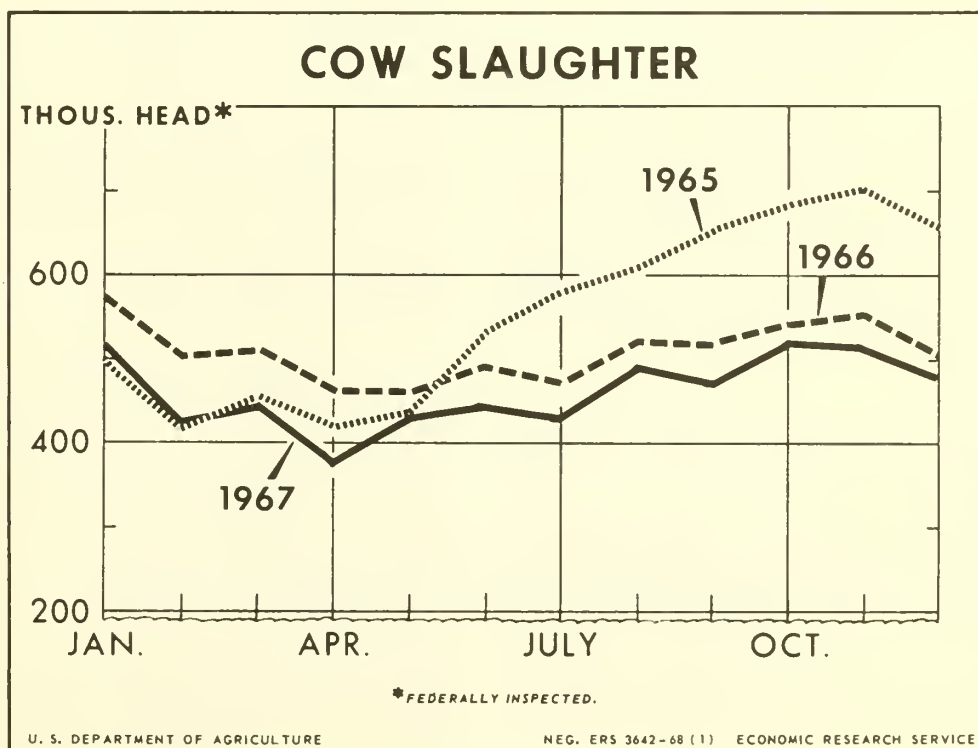
Since early fall a negative price margin has again been apparent. Since cattle feeders will be shipping fed cattle this winter that were bought on the higher summer and early fall feeder cattle market, the negative price margin is expected to continue this winter. But the negative margin probably will narrow or disappear late this winter or next spring. The bulk of fed cattle to be marketed at that time were bought on a lower feeder market last fall.

Cow Slaughter To Continue Lower

Cow slaughter rates were below 1966 throughout 1967. Practically all of the decline was accounted for by reduced slaughter of Canner and Cutter grade cows, indicating a slowdown in dairy herd liquidation. Slaughter of cows other than Cannery and Cutters was about the same as a year earlier. Total cow slaughter in 1968 likely will continue below a year earlier, but by a smaller margin than in 1967. Again, most of the decline will be the result of fewer dairy cows in the slaughter mix. Culling of beef cows may continue near 1967 levels.

Table 5 --Selected prices per 100 pounds of cattle, by months, 1966-67

Month	Chicago				Kansas City			
	Choice steers		Utility cows		Good feeder steers 550-750 lb.		Choice feeder steer calves	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	26.87	25.25	15.83	16.98	24.01	23.36	28.19	29.69
February	27.79	24.92	17.72	17.92	25.40	23.44	30.96	29.69
March	29.22	24.67	19.51	18.00	26.57	23.08	32.45	30.01
April	27.98	24.66	19.70	17.74	26.26	23.26	31.27	30.25
May	26.75	25.46	19.54	18.51	26.39	24.97	31.80	30.75
June	25.49	25.88	18.83	18.89	25.37	25.04	30.90	30.75
July	25.41	26.40	17.86	18.37	23.91	26.08	29.02	30.75
August	25.85	27.22	18.37	17.79	24.78	25.20	29.81	30.93
September	26.11	27.62	18.46	17.44	24.88	23.96	30.21	30.16
October	25.50	26.97	17.52	16.68	23.74	23.50	30.09	29.98
November	24.94	26.51	16.53	15.89	23.55	23.13	29.71	29.03
December	24.50	26.45	16.40	16.09	23.06	23.70	29.31	29.20
Average	26.29	26.04	18.02	17.52	24.83	24.06	30.31	30.10



In spite of reduced cow slaughter in 1967, cow prices averaged below 1966. Larger supplies of other processing meats, including domestic pork production and beef imports, more than offset lower production of cow beef. In mid-January, Utility grade cow prices at Kansas City averaged near \$16.60 per 100 pounds, 90 cents above the mid-December low, but slightly below a year earlier. Cow prices are expected to rise seasonally over the next few months and average around prices a year earlier.

It is likely that fewer calves will be slaughtered in 1968 than a year earlier. This will be the third consecutive year of declining calf slaughter. The decline in the dairy herd continues to reduce the available supply of veal calves. This, together with the trend to feeding a larger proportion of the calf crop, reduces the total supply of slaughter calves.

Number of Cattle Feeders Decline

The number of cattle feeders in 32 States declined 3 percent in 1967 to

about 211,500. In the 11 Western States and South Dakota, Nebraska, Kansas, Oklahoma, and Texas, the number of lots with a capacity of 1,000 head or more on January 1 decreased only slightly, but the number of lots with a capacity under 1,000 head decreased 4 percent. However, the number of cattle in the larger lots increased 283 thousand head (7 percent), while the number of cattle in the smaller lots decreased 12 thousand head (1 percent). On January 1, 1968, 3 percent of the cattle feeders (with lot capacities of 1,000 head or more) in 16 States which account for 54 percent of all cattle on feed held 69 percent of the cattle on feed in these States.

Western Range Conditions

In general, feed conditions declined seasonally during December. In early December, weather conditions were favorable for utilization of cured range feed, stubble and wheat. Although heavy snows forced supplemental feeding somewhat earlier this year than last, hay stocks were 5 percent larger on January 1 than a year earlier and feed supplies are expected to be fully adequate for winter needs in most areas.

HOGS

Last year commercial hog slaughter totaled 82.1 million head--about 11 percent more than in 1966. Slaughter rates were higher throughout the year, but the margin over a year earlier was the widest early in 1967. Hog slaughter in 1967 was sharply larger than in either of the 2 preceding years.

Hog prices fell substantially in 1967, when hog slaughter supplies swelled to the highest level since 1964. As a result, prices of barrows and gilts at 8 markets averaged \$19.37 per 100 pounds. This was 18 percent lower than in 1966, when they were higher than in any year since 1948. Prices in 1967 were still about \$3.20 per 100 pounds higher than the 1960-64 average. Supplies of beef and poultry also were larger in 1967. With record large meat supplies in 1967, hog

prices likely would have declined more if the demand for meat had not been strong throughout the year.

Slaughter A Little Higher In First Half of 1968

Hog slaughter rates this winter and next spring likely will continue to run above a year earlier. The June-November 1967 pig crop was 2 percent larger than in the same months of 1966. Those pigs will provide the bulk of slaughter supplies in the first half of this year.

About 48.9 million hogs were on farms December 1 (other than those being held for breeding). This was about 1 percent more than a year earlier. The number of pigs in weight groups that will be ready for slaughter this winter was

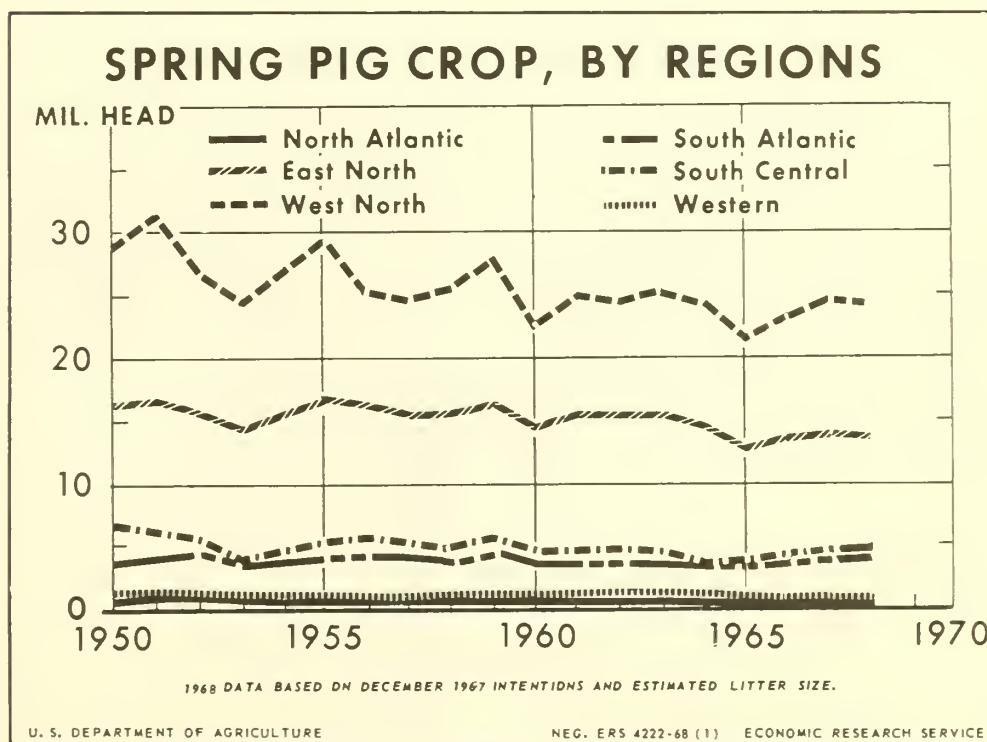
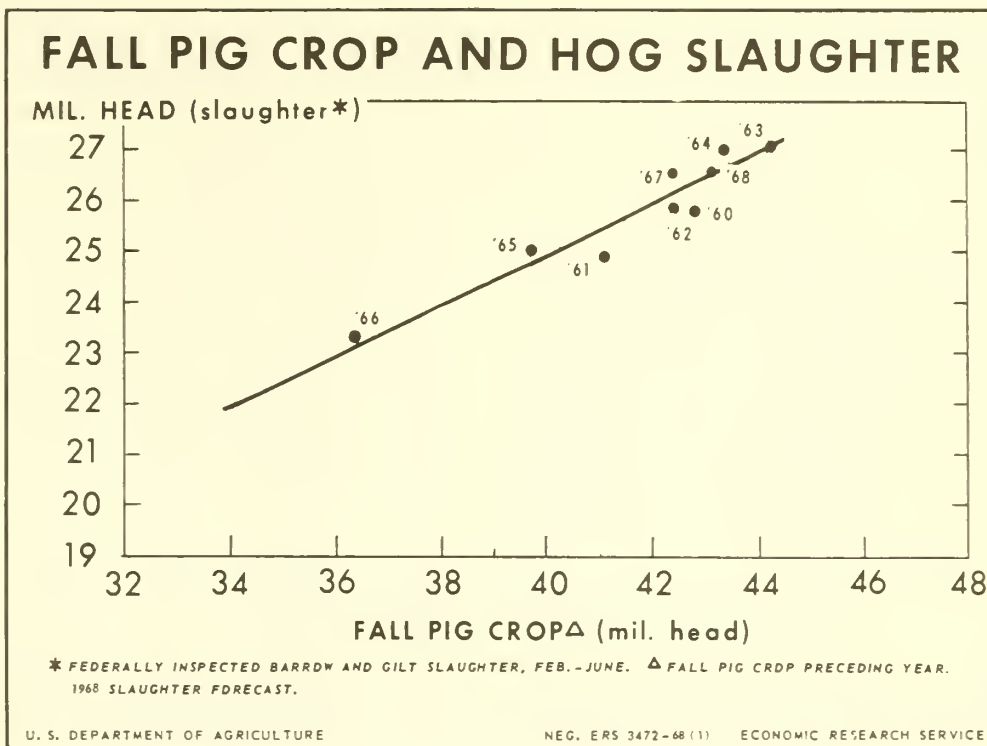
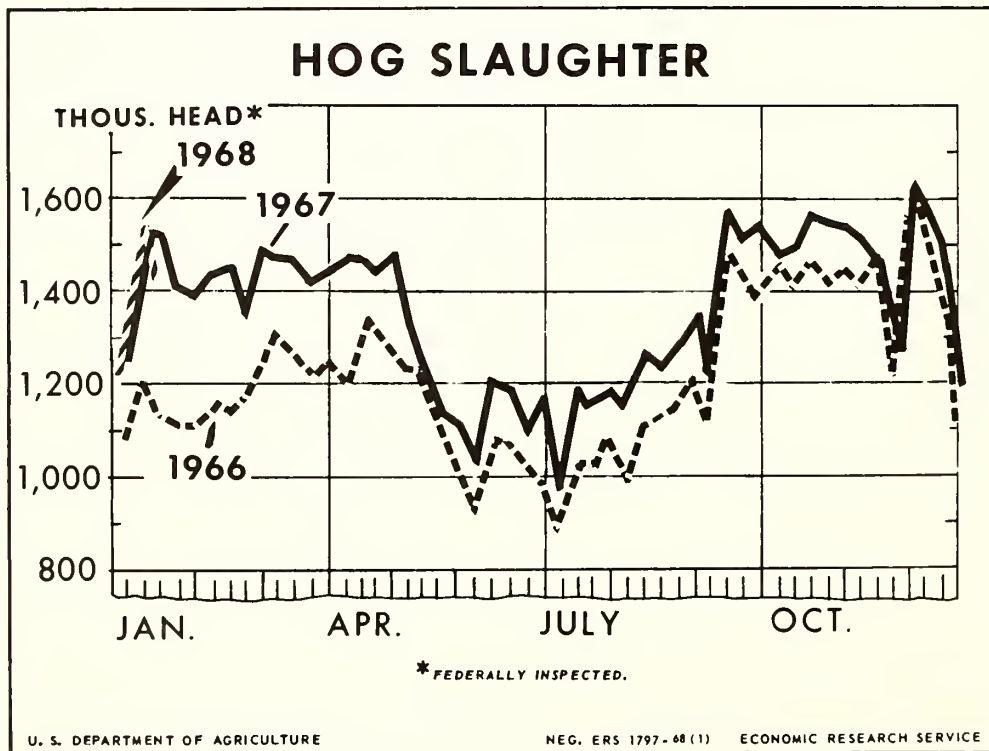


Table 6.--Selected prices per 100 pounds of livestock, by months, 1966-67

Month	Barrows and gilts at 8 markets <u>1/</u>		Sows at 8 markets <u>1/</u>		Choice lambs at Denver		Choice feeder lambs at S. St. Paul	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	27.93	19.46	23.84	15.52	27.72	<u>2/</u>	27.24	22.90
February	27.80	19.38	25.09	16.17	27.62	20.50	28.27	21.02
March	24.41	18.43	21.80	16.09	25.42	20.45	26.27	20.70
April	22.26	17.62	18.87	15.33	26.86	20.56	24.39	20.70
May	23.16	21.83	18.35	17.90	26.00	27.37	23.00	21.14
June	24.72	22.29	19.16	17.84	25.11	26.16	21.20	20.10
July	25.09	22.58	19.40	18.24	23.75	24.58	21.58	22.25
August	25.75	21.05	21.45	17.89	23.85	23.85	21.81	21.41
September	23.16	19.46	20.91	17.21	23.89	22.69	22.54	20.30
October	21.57	18.16	19.40	16.21	23.81	23.05	22.35	21.32
November	19.87	17.36	16.86	14.66	23.02	23.12	21.58	21.98
December	19.67	17.29	15.08	13.40	22.60	22.98	22.75	22.25
Average	23.49	19.37	19.77	16.43	24.97	23.21	23.58	21.34

1/ Average for all weights at Midwest markets. 2/ No price quoted.



about the same as a year earlier. The number on hand that will reach slaughter weights in the spring was about 3 percent larger than a year earlier.

The number of hogs on farms in the Corn Belt States on December 1 (except those being kept for breeding) was about the same as a year ago. However, all other States combined showed an increase of about 6 percent. Also, in States outside the Corn Belt, there was a relatively sharper increase in hogs on farms that will add to spring slaughter supplies than there was in hogs in weight groups that will go to slaughter this winter.

Hog slaughter this winter may be a little larger than would be expected based solely on the 1967 fall pig crop, because fewer hogs are now slaughtered on farms for home consumption. Death losses have also been declining and pigs are being brought to market weights at younger ages. The shift toward a greater percentage of all hogs moving through commercial slaughter channels is especially important in the fall and winter, when farmers have traditionally slaughtered hogs for their own use.

Average slaughter weights for hogs so far this winter have been held in check. Any increase in hog weights, compared to weights last winter, likely would indicate longer feeding periods. This, of course, would delay some winter marketings until next spring. But hog producers seem to be sending hogs to slaughter at desirable weights so far this year, even though the 1967 corn crop was record large and high moisture corn is more of a problem than usual in many parts of the Midwest. If producers continue to move hogs without extending feeding programs, it will help hold pork production below what it otherwise would be. (See article beginning on page 26.)

With an increase in hog slaughter supplies and stepped up fed cattle marketings in the first half of 1968, hog prices are expected to run somewhat lower than the 1967 January-June average of \$19.84 for barrows and gilts at 8 markets.

However, prices are expected to average much higher than in many other recent years. Barrows and gilts were \$18.75 per 100 pounds in late January. This was about 75 cents less than a year earlier, but about \$1.60 above the lowest week last fall.

In January 1967 barrows and gilts at 8 markets averaged around \$19.50 per 100 pounds, then prices declined about \$2 into April, before increasing sharply--about \$4 in May. Price changes from this winter through next spring are likely to follow a similar pattern. But the seasonal price rise next spring probably will be more moderate than last year when hog prices rose more than \$4 per 100 pounds in May.

Pork In Storage Up 23 Percent

At the beginning of 1968, cold storage stocks of pork totaled 287 million pounds. This was about 23 percent more than on January 1, 1967 and 45 percent above the late-summer low. Prices of hogs were bolstered somewhat last fall when pork was placed in storage. The opposite will be true this summer when pork now in storage moves into consumption.

Spring Pig Crop, Intentions Down 1 Percent

Hog producers began having more sows farrow in the first half of 1966 and continued this expansion through 1967. The December 1966-May 1967 pig crop was 6 percent larger than a year earlier and the June-November 1967 crop was 2 percent larger. Last December, however, hog producers said that they planned to have 1 percent fewer sows farrow during December 1967-May 1968 than in these months a year earlier.

Hog producers in all regions of the country (except the South Central States) have stated plans to have fewer sows farrow in the first half of 1968 than in these months a year earlier. In the South Central Region, producers have said they would increase output by 7 percent. Regional declines in prospect include:

Table 7.--Number of sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, by regions, 1964 to date

DECEMBER-MAY

Year	North Atlantic	North Central		South Atlantic	South Central	Western	United States ^{1/}
		East	West				
	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>
Sows farrowing:							
1964	80	2,046	3,341	449	561	114	6,596
1965	70	1,756	3,013	426	520	99	5,890
1966	76	1,795	3,188	462	567	106	6,201
1967	85	1,858	3,355	544	630	113	6,591
1968 ^{2/}	82	1,803	3,304	540	676	111	6,522
Pigs saved:							
1964	552	14,747	24,351	3,241	3,942	809	47,682
1965	501	12,734	21,777	3,096	3,652	722	42,525
1966	539	13,239	23,427	3,368	4,005	802	45,422
1967	619	13,689	24,661	3,969	4,537	844	48,360
1968							^{3/} 47,900
Pigs saved per litter:	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
1964	6.85	7.21	7.29	7.22	7.03	7.12	7.23
1965	7.16	7.25	7.23	7.26	7.02	7.31	7.22
1966	7.04	7.38	7.35	7.29	7.06	7.52	7.32
1967	7.30	7.37	7.35	7.30	7.20	7.47	7.34
1968							^{2/} 7.35
JUNE-NOVEMBER							
	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>	<u>1,000</u> <u>head</u>
Sows farrowing:							
1964	73	1,858	2,588	389	509	102	5,525
1965	67	1,624	2,341	378	492	97	5,006
1966	77	1,820	2,731	445	619	113	5,811
1967	72	1,773	2,762	451	646	110	5,820
Pigs saved:							
1964	528	13,473	18,643	2,785	3,632	758	39,862
1965	484	11,856	17,004	2,761	3,543	735	36,415
1966	572	13,217	19,789	3,238	4,425	857	42,141
1967	532	13,197	20,342	3,323	4,691	824	42,950
Pigs saved per litter:	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
1964	7.21	7.25	7.20	7.20	7.14	7.31	7.21
1965	7.27	7.30	7.26	7.30	7.20	7.43	7.27
1966	7.44	7.26	7.25	7.27	7.15	7.57	7.25
1967	7.40	7.44	7.36	7.37	7.26	7.49	7.38

^{1/} 50-State total. ^{2/} Preliminary. ^{3/} Number indicated to farrow from intentions as of December 1, 1967. Average number of pigs per litter with allowance for trend used to calculate indicated number of pigs saved.

Table 8 ---Hog prices, corn prices, and hog-corn price ratio,
by months, 1965 to date

Month	Hog price 1/			Corn price 1/			Hog-corn price ratio 2/		
	1965	1966	1967	1965	1966	1967	1965	1966	1967
Jan.	15.50	27.30	18.90	1.18	1.19	1.28	13.1	22.9	14.8
Feb.	16.40	27.20	18.80	1.20	1.20	1.26	13.7	22.7	14.9
Mar.	16.40	24.00	17.90	1.21	1.17	1.28	13.6	20.5	14.0
Apr.	16.90	22.10	17.00	1.23	1.19	1.26	13.7	18.6	13.5
May	19.70	22.30	21.70	1.26	1.21	1.25	15.6	18.4	17.4
June	22.40	23.20	21.00	1.25	1.20	1.26	17.9	19.3	16.7
July	23.20	23.20	21.40	1.22	1.27	1.21	19.0	18.3	17.7
Aug.	23.70	24.50	20.40	1.18	1.34	1.11	20.1	18.3	18.4
Sept.	22.10	22.30	19.10	1.18	1.35	1.12	18.7	16.5	17.1
Oct.	22.90	21.20	17.90	1.10	1.29	1.04	20.8	16.4	17.2
Nov.	23.50	19.30	17.00	1.04	1.26	.97	22.6	15.3	17.5
Dec.	26.90	18.90	16.60	1.13	1.29	1.03	23.8	14.7	16.1
Year 3/	20.60	22.80	18.98	1.18	1.25	1.17	17.7	18.5	16.3

1/ Average price received by farmers, hogs, dollars per 100 pounds for corn dollars per bushel.

2/ Bushels of corn equivalent in value to 100 pounds of hog, live weight.

3/ Simple average for 1967.

South Atlantic, 1 percent; West, 2 percent; North Atlantic, 3 percent; East North Central, 3 percent; and West North Central, 2 percent.

Based on breeding intention reports, the number of sows farrowing in 10 Corn Belt States during December 1967-February 1968 will be about the same as a year earlier. And these producers plan to have 3 percent fewer sows farrowing during the March-May period, when almost two-thirds of the spring pigs are born. Pigs from these sows will be marketed next fall. Thus, unless pigs born outside the Corn Belt in the first half of 1968 offset this expected reduction, the seasonal increase in hog slaughter next fall will be a little smaller than it was last fall.

Hog-Corn Price Ratios Above Average

The hog-corn price ratio is a general measure of the profitability of raising hogs, although it is not as good a measure today as in past years when corn made up a larger part of the cost of producing hogs. This ratio shows that while the situation was less favorable for hog farmers in 1967 than in 1966, the relationship between hog and corn prices was still above average. The hog-corn price ratio averaged 16.3 in 1967, compared with an average of 18.5 in 1966 and 15.3 during 1961-65.

Hog producers on December 1 reported plans to have about the same number of sows farrow as they did last spring, even though the hog-corn price ratio was above average during the period when they were making production decisions for the 1968 spring crop. During the

second half of 1967 the hog-corn price ratio was 17.3. This ratio during July-December has been exceeded only twice since 1947--1958 and 1965. Also, the 1967 corn crop was record large. Fed beef output is expected to be a little larger, and poultry production in the first half of 1968 likely will total about the same as a year ago. Thus, much of the increase in the feed grain supply probably will be available for hog producers.

On the other hand, prospective meat supplies do not point to any strength in hog prices in the first half of this year. Consequently, producers may be reluctant to expand output, especially when costs of production other than feed continue to rise. Thus, a hog-corn price ratio this year the same as last year likely would be less profitable to producers. This may help explain why hog producers have stated plans not to expand the 1968 spring pig crop.

Pigs born in the first half of this year will supply the bulk of slaughter hogs during July-December. Thus, hog prices in the second half of 1968 will depend largely on the size of this year's spring pig crop. If producers adhere closely to December 1 intentions, the spring pig crop would be about the same as a year ago and about in line with the 1961-65 average. In that event, hog prices next fall although below summer levels, likely would average moderately above prices a year earlier, when barrows and gilts at 8 markets averaged \$17.60 per 100 pounds. However, if producers step up farrowings appreciably or feed to heavy weights, or both, prices next summer and fall would be considerably lower.

SHEEP AND LAMBS

Commercial sheep and lamb slaughter in 1967 totaled 12.8 million head--about the same as year earlier. Slaughter during the first half of 1968 is expected to be down from January-June 1967.

Last winter and early spring, slaughter lamb prices were below a year earlier. But in late spring, prices rose and continued generally higher than a year earlier through late summer. Lamb prices in the first half of 1968 are expected to average above last year's winter-spring average.

Lambs On Feed Down 9 Percent

The number of lambs on feed January 1, 1968, totaled 2.9 million head--9 percent fewer than a year earlier and the smallest number for any recent year. The number on feed was down 13 percent in the North Central States, while western feeders had 7 percent fewer on feed. Last November and December, there were 4 percent fewer lambs placed on feed in 7 major feeding states than a year earlier; but marketings out of feedlots were up 5 percent.

During December 1967, weekly sheep and lamb slaughter rates under Federal inspection averaged about the same as a year earlier, but dropped below in January. Since fed lambs make up the bulk of winter slaughter supplies, lamb slaughter likely will continue generally below year-earlier levels this winter. Based on the breakdown by weight groups of lambs on feed in 7 states, the margin of slaughter below year-earlier levels will probably widen later this winter. The number of lambs on feed in 7 states includes almost 60 percent of the total number on feed January 1. Although there were more lambs on feed weighing 100 pounds and over on January 1, there were 5 percent fewer weighing 80-100 pounds and 19 percent fewer weighing under 80 pounds. Thus, relative to a year earlier, the supply of fed lambs probably will decline more rapidly this winter.

There were 4 percent more lambs on feed in the major wheat pasture areas of Kansas, Oklahoma, and Texas on January 1 this year than a year earlier. This reflects the increase in the proportion of wheat being pastured this year.

Spring slaughter supplies are mostly new crop lambs. Since there were probably fewer ewes on farms than a year earlier on January 1, 1968, a smaller early lamb crop is anticipated. Consequently, spring slaughter supplies are expected to continue below a year earlier, although by a narrower margin perhaps, than during the winter.

Lamb Prices Above Year Ago

Choice grade slaughter lamb prices in late January were about \$1 to \$2 above prices a year earlier at major terminal markets. There likely will be little if any seasonal price decline this winter. If slaughter supplies follow the pattern suggested by the number of lambs on feed, prices may strengthen before new crop marketings get underway in volume. On the other hand, if slaughter rates exceed these expectations, or if lambs are fed longer than usual, some seasonal weakness may develop this winter. Prices for spring lambs likely will show the normal sharp rise and average near or above year-earlier levels during April-June.

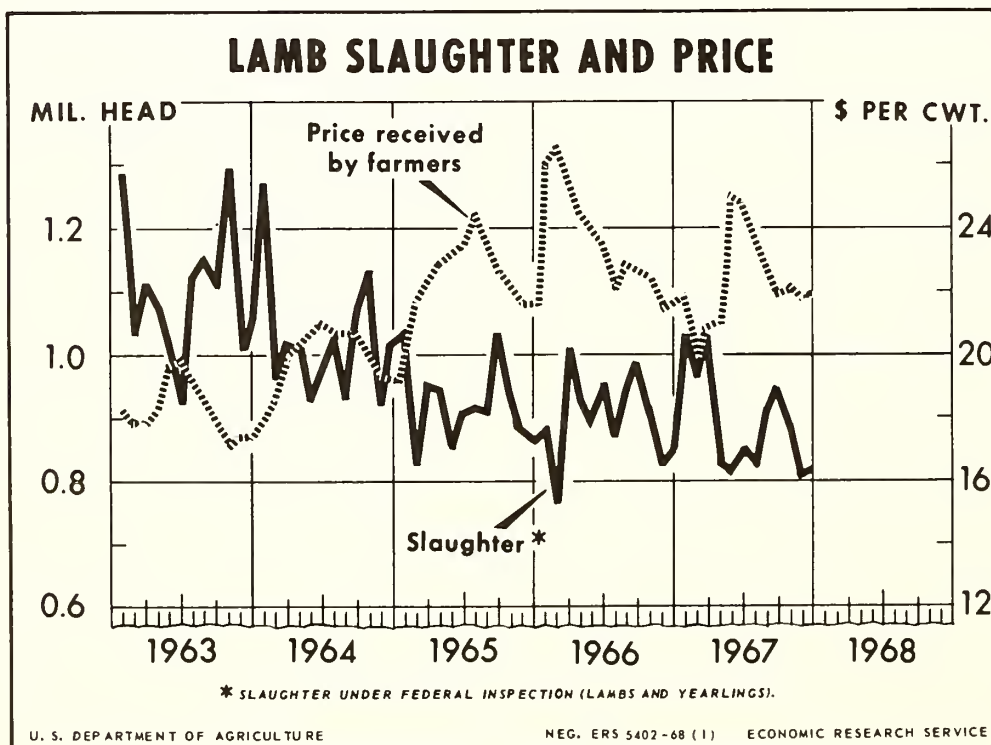
Lower feed grain prices may encourage lamb feeders to hold lambs on feed longer than usual this winter. In mid-winter last year, sharp price discounts developed on heavy-weight lambs and profits from lamb feeding declined. Average slaughter weights of lambs killed in federally inspected plants averaged 1 pound below a year earlier in October-December 1967 and continued slightly below in January. Although price discounts on heavy lambs did not develop as early last fall as in 1966, discounts have recently widened rapidly. In mid-January the spread between 35-45 pound carcasses and 55-65 pound carcasses at Chicago was \$5 compared with \$5.50 a year earlier and \$7 to \$8 in mid-February 1967. The average weight of lambs killed under Federal inspection in mid-January was 104 pounds--only 1 pound below the heavy weights a year earlier.

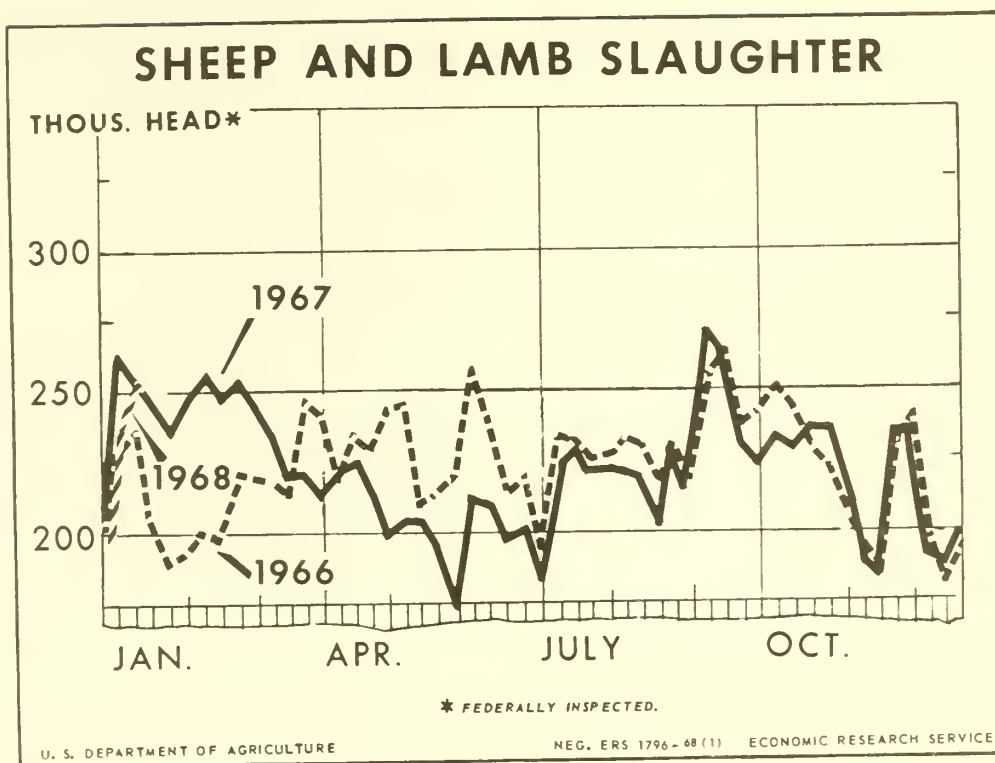
Weights probably will continue heavy this winter but perhaps not as heavy as last year. The sharp price discounts experienced last winter may encourage a more orderly movement of fed lambs this winter with a reasonable degree of finish during the balance of the fed lamb marketing season. However, if lamb feeders hold lambs to excessive finish this winter, price spreads between lights and heavies likely will widen considerably and prices of all lambs will be lower. (See special article in this issue "Heavy Lamb Carcasses--Their Retail Value.")

Table 9 --Wholesale price of Choice lamb at Chicago, Carlot basis,
by months 1965 to date 1/

Month	1965			1966			1967		
	35-45	55-65	Differ-	35-45	55-65	Differ-	35-45	55-65	Differ-
	lb.	lb.	ence	lb.	lb.	ence	lb.	lb.	ence
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	46.34	41.34	5.00	56.33	51.25	5.08	49.50	43.88	5.62
Feb.	48.91	44.90	4.01	56.81	49.44	7.37	46.52	39.17	7.35
Mar.	50.46	47.41	3.05	53.70	45.31	8.39	46.80	40.98	5.82
Apr.	51.59	47.98	3.61	51.17	42.50	8.67	48.88	44.40	4.48
May	54.11	49.75	4.36	53.47	45.48	7.99	55.80	55.10	.70
June	53.19	52.22	.97	51.53	45.40	6.13	56.75	56.03	.72
July	48.97	49.00	-.03	46.97	45.47	1.50	54.47	54.47	0
Aug.	48.42	48.42	0	47.31	47.31	0	51.37	51.37	0
Sept.	47.00	47.00	0	48.00	48.00	0	49.69	49.69	0
Oct.	46.96	46.20	.76	47.93	46.65	1.28	50.64	50.64	0
Nov.	48.81	45.31	3.50	47.92	45.05	2.87	51.43	50.57	.86
Dec.	52.67	48.69	3.98	49.03	44.67	4.36	50.90	48.25	2.65
Year	49.79	47.35	2.44	50.85	46.38	4.47	51.06	48.71	2.35

1/ Beginning in 1966 Prime and Choice quoted together.





Lamb Feeding Declines

There were 35 percent fewer lambs on feed in 26 States January 1, 1968, than at the beginning of 1959. Although lamb feeding has generally declined throughout the United States, the decline in the number fed has been more rapid in the Corn Belt than in the West. For example, there were 47 percent fewer lambs on feed in the 12 North Central States on January 1, 1968, than 10 years earlier, but only about 17 percent fewer on feed in the 11 Western States.

On January 1, 1959, 34 percent of the total number of lambs on feed were in the 11 Western States. Five years ago, these States accounted for 38 percent of all lambs on feed. By January 1 this year, 43 percent were in the 11 Western States and 48 percent in the North Central. Thus, while lamb feeding has generally declined in both regions, the decline has been slower in the West.

Some States have shown increases in the number of lambs fed. Arizona and Idaho had more lambs on feed this January 1 than 10 years ago. Colorado, although still the leading State on the January 1, 1968 on-feed inventory, had 60 thousand head fewer or 11 percent fewer on feed than on January 1, 1959. Iowa and Nebraska ranked near the top in 1959 with more than 450 thousand head on feed, but the number this year is less than half that. With the exception of South Dakota, all North Central States registered sharp declines in lamb feeding over the past decade.

The decline in lamb feeding reflects the drop in the number of sheep and lambs on farms and ranches during the past decade, as well as a decrease in the proportion of the lamb crop fed. The decline in the number of lambs fed has been greater than the decline in the number of breeding ewes on farms and ranches. This shift in the proportion of the total lamb crop fed is probably the result of a combination

of factors (including improved pastures, improved breeding, better management, and some increase in the proportion of cross-bred and mutton-type sheep). These changes have resulted in proportionately

more lambs reaching slaughter finish without further feeding after weaning. This trend likely will continue, although slowly, in the years ahead.

USDA MEAT PURCHASES

In 1967, the Department of Agriculture purchased a total of 173 million pounds (product weight) of meat and meat products for distribution to schools, family distribution programs and other eligible outlets at a purchase cost of \$87 million.

Purchases included \$45 million for 104 million pounds of canned chopped meat for use in the family distribution program and \$30 million for 47 million pounds of frozen roasts and ground beef for school lunches. Other purchases included 16.4 million pounds of frozen ground beef (\$7.7 million) and 6.2 million pounds of canned pork with natural juices (\$3.8 million) for distribution under the National School Lunch Program. Funds for these purchases were provided under Section 6 of the National School Lunch Act and Section 32 of Public Law 320. All products were prepared from animals

slaughtered and processed within the United States.

Various kinds and classes of meat animals were utilized in the preparation of products acquired by the Department. Canned chopped meat was manufactured principally from pork, although beef, mutton, and pork and beef hearts and tongues were permissible ingredients. Frozen roasts and ground beef were produced from U.S. Choice grade beef or higher while the frozen ground product was processed from U.S. Utility grade beef or better.

Purchases of frozen boneless roasts and ground beef were terminated in late June of ground beef in late December. Buying of canned chopped meat and canned pork with juices continued in 1968. On January 4, it was announced that the Department will purchase canned beef with natural juices to be distributed to schools interchangeably with canned pork.

FOREIGN TRADE IN MEATS

Total Meat Imports and Exports Increase in January-November 1967

Total meat imports rose to 1,683 million pounds (carcass weight equivalent) in January-November 1967, 6 percent more than in these months of 1966. Beef and veal accounted for virtually all of the increase, totaling 1,223 million pounds, 11 percent more than a year earlier. Pork imports of 351 million pounds were almost the same as a year earlier. Imports of lamb totaled 11 million pounds, down 26 percent. Imports of mutton and goat totaled 98 million pounds, down 14 percent from a year earlier.

Meat exports totaled 94 million pounds (carcass weight equivalent) in

January-November 1967, 4 percent more than a year earlier. Pork exports totaled 53 million pounds, up 2 percent. Beef and veal exports totaled 39 million pounds, up 8 percent.

Meat Imports in 1968 Expected To Continue Below Quota Level

In the first 11 months of 1967, imports of meat subject to restriction by quota totaled 822 million pounds (product weight), almost 9 percent more than in the same months of 1966. Increases over a year earlier were considerably larger in the first 5 months than later in the year.

Public Law 88-482, enacted in August 1964, provides that if yearly imports into the United States of fresh, chilled, or frozen cattle meat and meat of goats and sheep other than lamb, are estimated to equal or exceed 110 percent of an adjusted base quota, the President is required to invoke a quota on imports of these meats. The adjusted base quota for 1968 is 950.3 million pounds (product weight). The amount of estimated imports which would trigger its imposition is 110 percent of the adjusted base quota, or 1,045.3 million pounds.

The adjusted base quota is derived from adjusting the base of 725.4 million pounds specified in the law by the increase or decrease since 1959-63 in domestic commercial production of the

meats concerned. The law defines the level of domestic production as a 3-year average--and average of the estimated commercial production for the year in which the quota may be applied and the 2 preceding years. The average annual production for 1966-1968 is estimated at 20.6 billion pounds. This is an increase of 31.0 percent over the base period, requiring an increase in the adjusted base quota level to 950.3 million pounds for 1968.

Secretary Freeman announced on December 29 that imports of these meats during the year are expected to total about 900 million pounds. Imports therefore, are expected to be below the adjusted base quota in 1968 and considerably below the level which would trigger imposition of the quota.

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The next issue of the Livestock and Meat Situation is scheduled to be available March 14, 1968.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting March 8, 1968.

Table 10.--Meat subject to U.S. import quota restriction: Product weight
of imports by months, average 1959-63, 1964-67

Year	January	February	March	April	May	June	July
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>
1959-63 average	47,342	49,596	57,539	54,254	48,514	58,564	67,110
1964	87,232	44,873	68,877	61,363	51,113	98,152	43,726
1965	28,181	34,498	68,654	32,404	52,329	42,062	58,512
1966	51,397	60,341	49,419	63,334	51,954	100,222	61,361
1967	77,357	58,514	61,884	58,810	51,483	69,557	88,732
1959-63 average	84,131	76,055	61,599	56,106	53,363	61,396	722,206
1964	79,453	49,651	46,384	55,726	53,363	53,363	739,913
1965	59,917	62,208	64,411	57,281	53,747	53,747	614,204
1966	87,076	91,471	79,746	61,062	66,052	66,052	823,435
1967	92,237	89,742	91,811	82,335			

Table 11--U. S. meat imports and exports: January-November 1966, 1967
and percentage comparisons (carcass weight)

Item	1966			1967			Percent change		
	Jan.- Oct.	Nov.	Jan.- Nov.	Jan.- Oct.	Nov.	Jan.- Nov.	Jan.- Oct.	Nov.	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent	Percent	
Imports									
Beef and veal	1,009,123	97,184	1,106,307	1,103,131	120,294	1,223,425	+ 9	+ 24	+ 11
Lamb	13,856	409	14,265	9,204	1,316	10,520	-34	+222	- 26
Mutton and goat	108,131	6,023	114,154	84,688	13,524	98,212	-22	+125	- 14
Pork	318,363	30,969	349,332	322,239	29,037	351,276	+ 1	- 6	+0.6
Total meat	1,449,473	134,585	1,584,058	1,519,262	164,171	1,683,433	+ 5	+ 22	+ 6
Exports									
Beef and veal	32,351	3,328	35,679	35,194	3,500	38,694	+ 9	+ 5	+ 8
Lamb and mutton	1,885	227	2,112	2,013	190	2,203	+ 7	- 16	+ 4
Pork	45,009	7,397	52,406	48,178	5,092	53,270	+ 7	- 31	+ 2
Total meat	79,245	10,952	90,197	85,385	8,782	94,167	+ 8	- 20	+ 4

THE COSTS OF FEEDING TO HEAVIER WEIGHTS

By

John T. Larsen and Robert L. Rizek

Agricultural Economists, Economic Research Service

Record feed grain production in 1967 and the large number of animals available for feeding point to another year of large red meat supplies and potential downward pressure on prices of slaughter livestock. When feed grain supplies are large and prices are relatively low, livestock feeders in the past have tended to extend the normal feeding period and market animals at heavier weights. Such action in 1968 may materially lower their rate of return, as well as cause some industry wide problems.

Feed is one of the major costs in livestock feeding. A feeder's profit is determined to a large extent by his ability to convert feed into meat efficiently. The cheapest weight gains usually are made when animals are young and in their fastest stage of growth. Feeding efficiency generally declines as animals mature and gain weight since more energy is required for body maintenance. Consequently, more feed is needed for each pound of gain, and the cost of gain rises.

The following data illustrate changes in feed conversion efficiency for livestock from initial feeder weights to normal slaughter finish. Although detailed information on feeding efficiency of livestock kept beyond normal finish is limited, the data available show that efficiency continues to decline as weights increase, often at an accelerated rate.

The decrease in feed conversion efficiency for cattle, lambs and hogs as they gain weight is pointed out in the National Research Council's Reports on Nutrient Requirements of Domestic Animals (5). (Table 1) These reports show the feed conversion ratio for 600 pound yearling feeder steers is about 6.7 to 1 as compared to a ratio of 8.3 to 1 at 800 pounds and 11.2 at 1,100 pounds. In other words, two-thirds more feed is required to put on a pound of gain as the animal nears 1,100 pounds than was required at 600 pounds.

When cattle are fed to weights in excess of 1,100 pounds, the conversion efficiency ratio declines even more sharply. For example, in a University of Illinois study of steer feeding, only 6 pounds of feed were required per pound of gain during the first 28 days on feed, compared with over 20 pounds of feed per pound of gain the last 28 days (6). This was for yearling steers fed 308 days and marketed at an average weight of 1,442 pounds.

The American National Cattlemen's Association has published a summary of data from various university studies and information from individual cattle feeders throughout the U.S. which show similar results (1). Generally, feed costs per pound of gain in cattle more than triple over a year's feeding period. Furthermore, costs increase at an increasing rate as cattle are fed to heavier weights. (Figure 1) As the animals pass desirable market weight, the cost of gain becomes critically high. This clearly shows the profitability of marketing cattle as soon as they reach the desired grade.

Feed conversion ratios for finishing lambs show the same basic trends (Table 1) According to the National Research Council, the quantity of feed required per pound of gain rises from 7.7 pounds for 60 pound feeder lambs to 9.7 pounds for 100 pound lambs (5). This is a 26 percent increase. A study at the University of Kentucky indicates that feed requirements per pound of gain continue to increase as lamb weights rise above 100 pounds (3).

Although hogs convert feed more efficiently than either cattle or lambs, the changes in feed conversion ratios follow similar patterns. The National Research Council data indicate that the conversion ratio increases about 45 percent in the growing and fattening of 50 pound feeder pigs to 225 pound slaughter hogs. (Table 1) About 2.8 pounds of feed were required per pound of gain from 50 to 75 pounds,

Table 1.--Daily Feed Requirement and Feed Conversion
Ratio for Cattle, Lambs and Hogs*

Body Weight (Lbs.)	Daily Feed Requirement (Lbs.)	Average Daily Gain (Lbs.)	Pounds of Feed Per Pound of Gain (Lbs.)
<u>Finishing Yearling Cattle</u>			
600	17.5	2.6	6.7
800	22.3	2.7	8.3
1,000	25.8	2.6	9.9
1,100	25.8	2.3	11.2
<u>Finishing Lambs</u>			
60	2.7	0.35	7.7
70	3.1	.40	7.8
80	3.4	.45	7.6
90	3.7	.45	8.2
100	3.9	.40	9.7
<u>Finishing Hogs</u>			
50-75	3.7	1.3	2.8
75-125	5.2	1.6	3.3
125-175	6.7	1.7	3.9
175-225	7.8	1.9	4.1

*Source: National Academy of Sciences, National Research Council. "Nutrient Requirements of Domestic Animals", Reports of the Committee on Animal Nutrition, Agricultural Board, Publications 1137, 1192 and 1193, 1964.

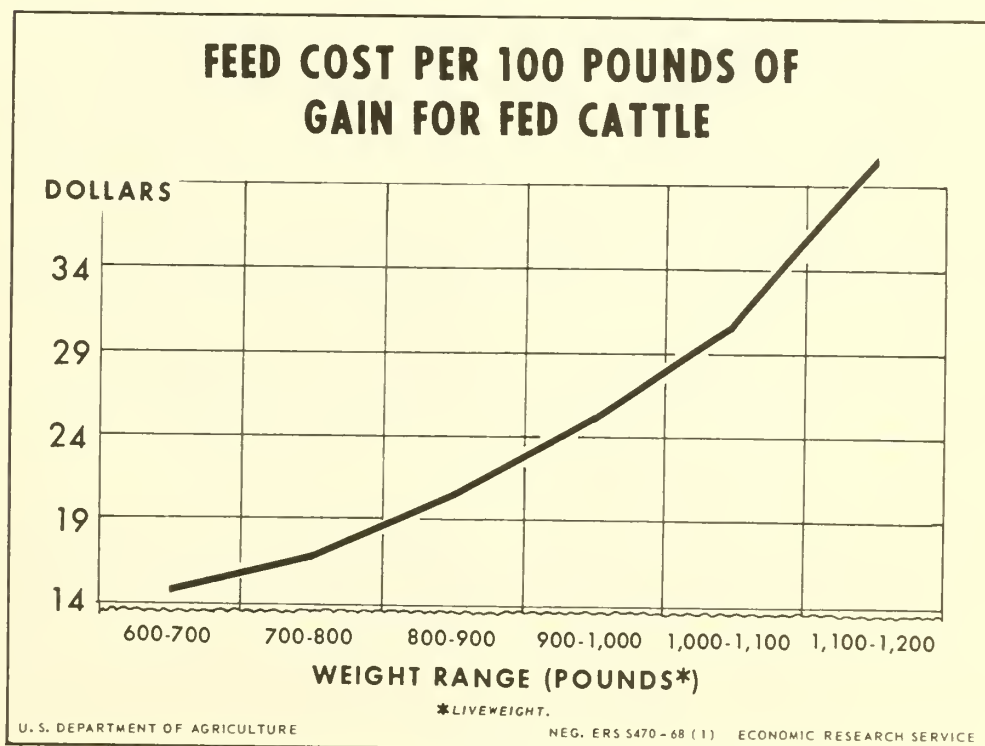


Figure 1

3.9 pounds from 125-175 pounds, and 4.1 pounds of feed per pound of gain from 175-225 pounds. A study at North Dakota State University showed similar conversion rates up to 225 pounds, with further increases in feed requirements above this weight (4). (Figure 2)

Individual livestock feeders may experience different conversion rates, and results may vary between different pens of livestock. However, commercial feedlots which have kept records on feed requirements at varying weights tend to confirm the foregoing illustrations. It is clear that feeding to heavy weights results in substantially increased costs per pound of gain.

In addition to incurring extra costs in feeding to heavy weights, other economic factors come into play and further reduce returns to feeders and to the industry. Of major importance is the depressing effect on prices of the increased tonnage of meat produced and the price discounts on heavyweight carcasses that develop when average slaughter weights increase.

The demand for meat in total has grown substantially in recent years. However, the growth in demand has not been consistent for all meats. Per capita beef consumption increased from 81 pounds in 1959 to over 106 pounds in 1967, with fed beef consumption increasing from 45 pounds to 71 pounds. Per capita pork consumption, on the other hand, declined from almost 68 pounds in 1959 to 58 pounds in 1966, before increasing to nearly 64 pounds in 1967. Lamb and mutton consumption rose from 4.8 pounds in 1959 to 5.2 pounds in 1962 but declined to less than 4 pounds in 1967.

Because of the differing demands for each of the red meats, supply changes affect prices of each differently. With the growth in demand for beef, moderate increases in beef supplies can be utilized without serious price consequences. However, with a relatively less favorable demand situation for pork, larger supplies tend to depress prices more.

Besides the price effects of adding to the total supply of meat, feeding to heavy weights quickly causes an over supply and sharply lower prices of heavy weight carcasses, especially of beef and lamb. There is only a limited market for excessively heavy, highly finished carcasses. When the relative supply of heavy carcasses exceeds the limited demand, the total supply can be moved only at lower prices.

The sharp price effect of changes in fed beef supplies and changes in marketing weights was brought out in a recent USDA analysis: a 1 pound increase in the quarterly per capita supply of fed beef would result in a price decline of more than \$1.00 per 100 pounds in Choice steers at Chicago; a 10 pound rise in the average liveweight of steers at 7 markets would result in a price drop of around 50 cents per 100 pounds.

One reason for price weakness with increases in average live weight is illustrated in a University of Illinois study (6). Two similar groups of yearling steers were placed on full feed--one group was slaughtered at an average weight of 1,114 pounds and the other at 1,442 pounds. The yield of saleable meat as a percentage of carcass weight was reduced nearly 12 percent in animals fed to heavier weights. The additional 328 pounds per steer added only 253 pounds of carcass. The net result, however, was only 56 additional pounds of saleable meat--about one-fifth of the total carcass weight increase; the rest was mostly added waste. Thickness of fat over the ribeye increased from 0.6 inches to 1.43 inches. The actual retail value was reduced more than \$4 per 100 pounds on a liveweight basis, despite a 3-percent higher dressing percentage for the heavier cattle.

In late 1966 and early 1967, when slaughter steers at 7 markets averaged nearly 1,150 pounds and steer and heifer beef production was about 11 percent above year-earlier levels, 1,100-1,300 pound Choice steers at Chicago sold 50-75 cents per 100 pounds below 900-1,100 pound steers, (Figure 3) The situation

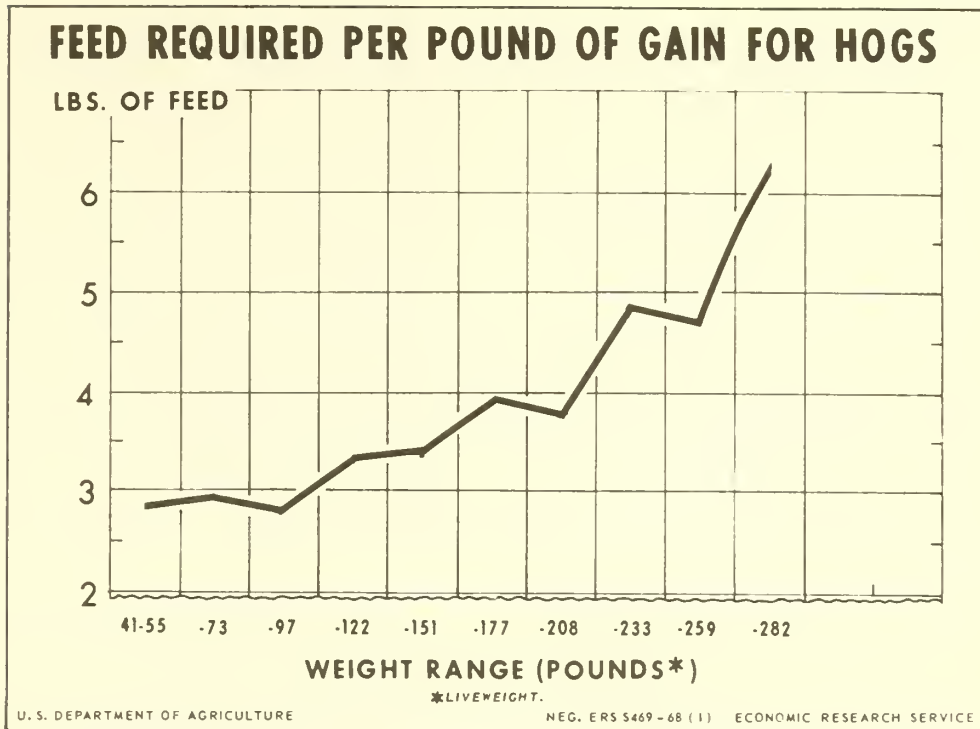


Figure 2

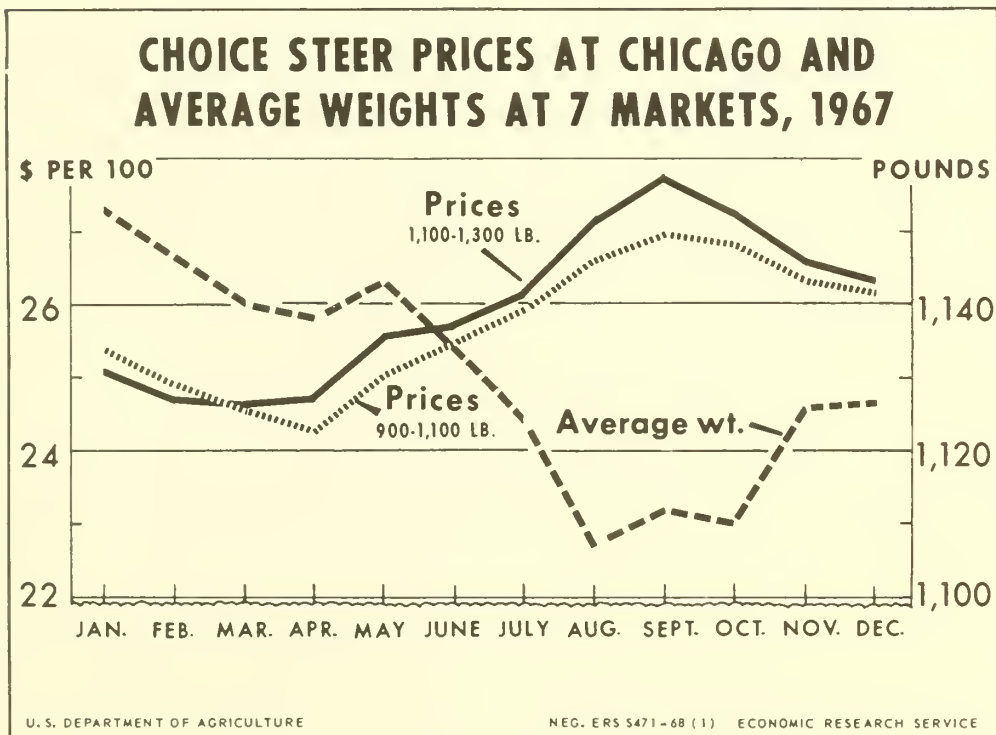


Figure 3

changed during the year. By late summer and early fall of 1967, steer and heifer beef production was only slightly above a year earlier. Furthermore, average weights had dropped to about 1,110 pounds, and 1,100-1,300 pound Choice steers sold at 75 cents to \$1 per 100 pounds above the lighter weight group. Weights increased during the rest of the year, exceeding 1,130 pounds at 7 markets in late December.

Average slaughter weights of hogs influence pork production the same way that cattle weights affect beef output. Also, increases in the amount of fat result in decreases in the percentage of saleable meat and value when hogs are held to heavier weights. According to estimates by USDA's Consumer and Marketing Service, holding hogs from 200 to 250 pounds will result in an increase in fatness equivalent to one grade or more. This will reduce the percentage yield of the four major lean cuts by 3 percent of the carcass weight. At current prices, the heavier hogs would be worth at least \$1 per 100 pounds less to the packer due to the reduced cutting yields and lower prices for heavier cuts.

Price spreads between various weights and grades of slaughter hogs are affected by the relative supply of heavy slaughter hogs in much the same manner as price differences between weights and grades of cattle. Weights of slaughter hogs follow a seasonal pattern, generally starting from a relatively high level in January, dropping through the remainder of the winter, rising in the spring, dropping again from late spring through mid-summer, then rising again in the fall. (Figure 4) For example, as average slaughter weights decline, the price spread narrows between U.S. No. 1 & 2 (200-220 pound barrows and gilts) and U.S. No. 2 & 3 (270-300 pounds). When average weights increase, the price spread between these weights and grades widens.

Lamb feeders sometimes hold lambs to excessive weights, and in so doing adversely affect the entire lamb market. The supply-demand balance between heavy

and lightweight lambs can be just as easily tipped as in the beef market. Substantial price discounts on heavy lambs are not uncommon, particularly in the winter months when the bulk of the lamb supply is from feedlots. Judging from the price spreads reported between 35-45 pound and 55-65 pound carcasses at Chicago, discounts on live lambs weighing over 115 pounds have exceeded \$4 per 100 pounds in recent years. Figure 5 shows price movements and spreads between 35-45 pound and 55-65 pound Choice lamb carcasses at Chicago and average live weight of sheep and lambs slaughtered under Federal Inspection in 1967. These data illustrate that as the relative supply of 55-65 pound carcasses exceeds a given level, buyers begin discounting heavy lambs.

An ERS study shows a substantial difference in the value of medium weight lamb carcasses compared with heavy weight carcasses (2). For example, the study indicates that in recent years the retail value per pound was reduced as much as 9 percent when live weights increased from 90 to 120 pounds.

This year promises to be one of continuing large red meat supplies. Although lamb and veal production probable will be down somewhat, fed beef output likely will be near last year's record output; and pork supplies likely will equal or exceed 1967 production. Also, the record large corn crop and substantially lower corn prices may tempt some producers to feed to heavier than usual weights and further increase production.

Livestock producers can benefit individually and as a group by giving careful consideration to costs and the advantages of moving animals to market at desirable market weights. Any action taken to ease the pressure on livestock prices that would result from larger supplies--and from an over supply of unusually heavy animals will be beneficial. Such action will tend to keep total meat production in line with effective demand and strengthen livestock prices throughout the industry. Producers can reduce their own feeding costs as well as improve their rate of returns by exercising judgment in feeding livestock for market.

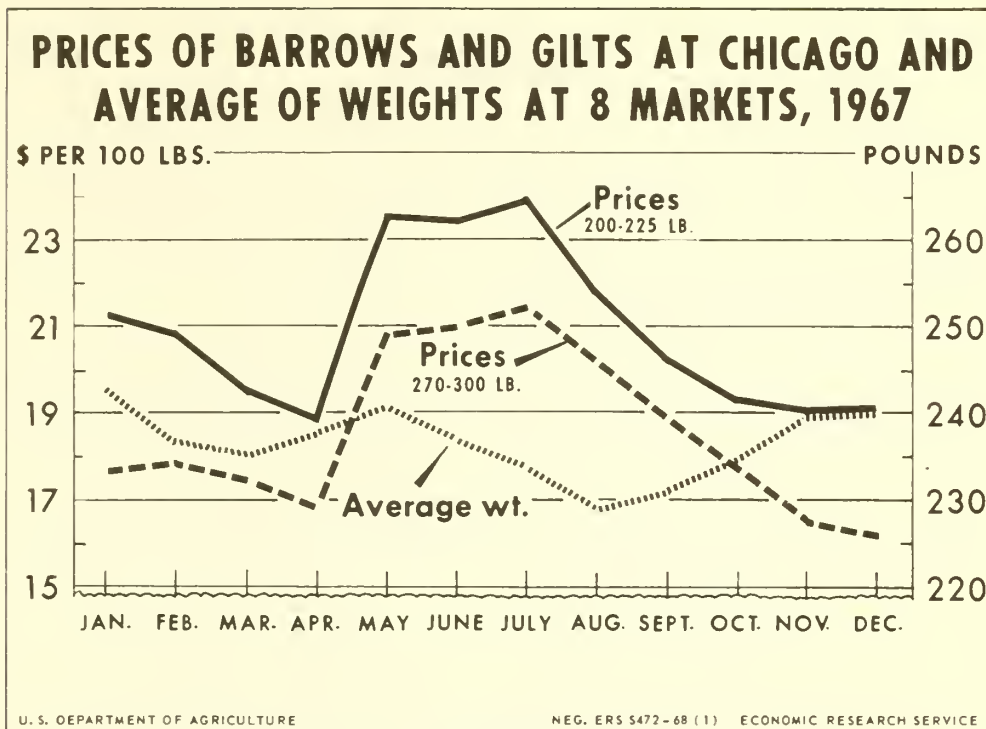


Figure 4

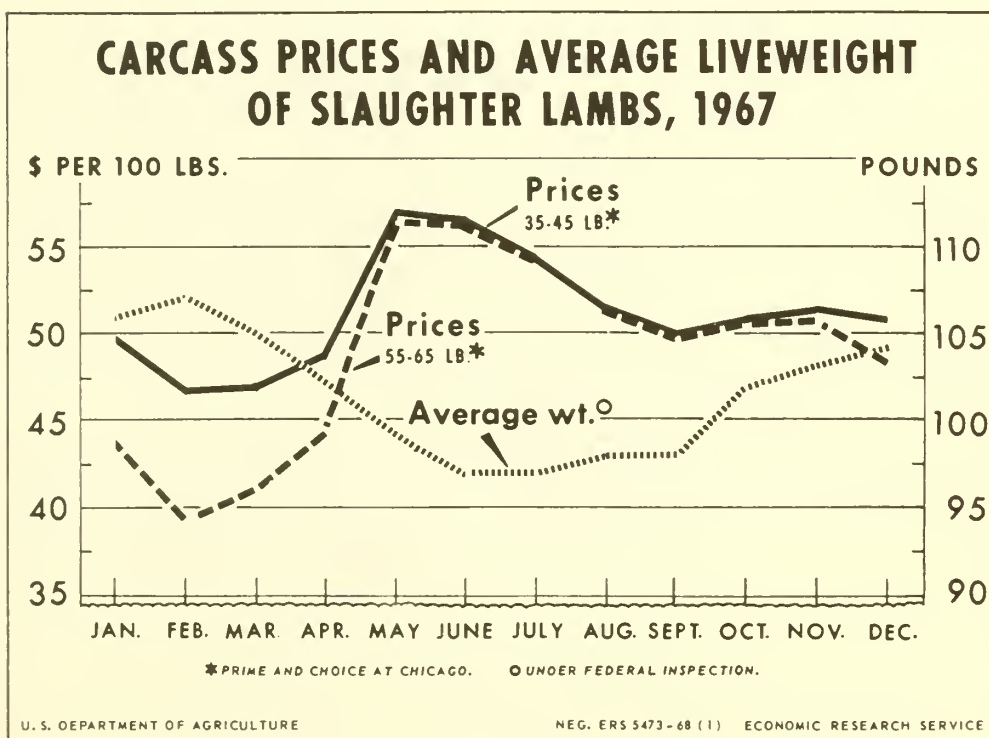


Figure 5

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HEAVY LAMB CARCASSES--THEIR RETAIL VALUE
By Richard Crom
Agricultural Economist, Economic Research Service

The value of lamb--or any livestock--to both packers and farmers is largely determined by the value of the retail cuts obtained.

Using retail cutout weights for a sample of 542 Choice and Prime lambs slaughtered in a research project at Texas A&M^{1/}, ERS determined the retail value^{2/} of the carcasses under prevailing prices each week for 3 years, starting in July, 1964 by revaluing the carcasses in line with current retail prices each week. These total retail values were then converted to a retail value-per-pound basis. Average values per pound were then computed for all carcasses falling into the 3 weight groups customarily used for wholesale price reporting. Of the 542 carcasses, 235 fell into the 35-45 pound weight group, an additional 235 fell into the 45-55 pound weight group and 72 fell into the 55 pound and over weight group (73.5 pound maximum).

The average retail value per pound during each of the first 15 weeks of the 1965, 1966 and 1967 fed lamb marketing seasons is shown in Table 1. In these 3 January through April periods, the average retail value per pound of 35-45 pound carcasses ranged from 1.4 to 1.9 cents per pound above that of the 45-55 pound group. During the same periods, the average retail value of the 45-55 pound carcasses ranged from 5.5 to 6.6 cents per pound above that of the 55 pound and over group.

^{1/} Project 1504, Texas Agricultural Experiment Station.

^{2/} Prices reported by a sample of 40 retail chain divisions for a study of the effect of weekend "specials" on composite retail prices were used.

While the average retail values portray a rather concise picture over time, the distribution of the value of the carcasses is of equal or greater importance. Retail lamb prices peaked during the 9th week of 1966, the week of February 28 through March 5 (noted by asterisks in table 1). The distribution of retail values for all 542 carcasses during this week is shown in figure 1. Note that the retail value of carcasses weighing 35 to 45 pounds ranged from 69.3 cents to 88.3 cents per pound. Similarly, carcasses weighing 45 to 55 pounds ranged from 64 cents to 88 cents per pound in retail value. Finally, the retail value of carcasses weighing 55 to 73 pounds ranged from 62.5 cents to 82 cents per pound. The distribution points out that some heavier carcasses can and do have retail value per pound equal to those of lighter weights. But the downward slope (to the right) of retail values as carcass weights increase illustrates the higher probability of a lower retail value associated with heavier carcasses.

Several implications emerge from these computations.

1. Based on these yield values, it appears that a price discount need not be applied uniformly to all carcasses weighing over 55 pounds.

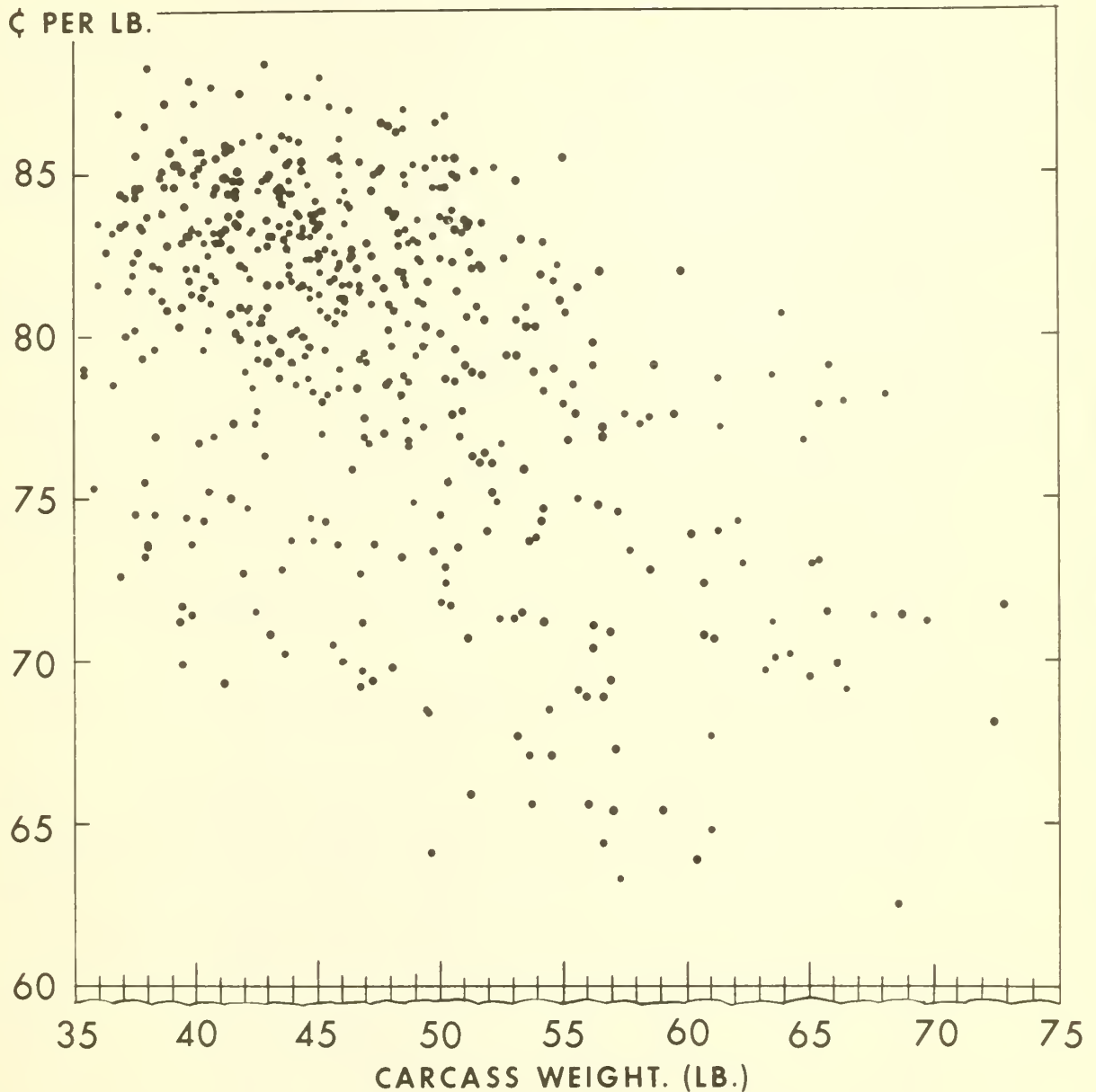
2. On the other hand, if the absence of widespread buying on a yield basis, the practice of discounting heavy carcasses likely will persist since the current probability of a heavy carcass having a lower retail value per pound is much higher.

Table 1.--Average retail values of a sample of Choice & Prime lamb carcasses, 1965-67
Cents/lb. (retail weight basis)

Week of year	1965			1966			1967		
	35-45 lbs.	45-55 lbs.	55 lbs. up	35-45 lbs.	45-55 lbs.	55 lbs. up	35-45 lbs.	45-55 lbs.	55 lbs. up
1	68.40	67.13	61.57	78.84	75.36	68.92	78.16	76.88	70.13
2	69.99	59.99	55.12	76.77	75.29	68.85	76.80	75.35	68.82
3	66.20	64.98	59.51	77.92	76.42	69.90	71.52	70.17	64.27
4	69.56	68.26	62.60	79.05	77.51	70.91	77.52	76.04	69.50
5	68.64	67.36	61.79	80.73	79.18	72.46	77.16	75.68	69.22
6	69.17	67.90	62.28	81.19	79.63	72.86	73.02	71.64	65.53
7	69.58	68.26	62.60	81.56	80.01	73.25	76.02	74.57	68.21
8	69.58	68.26	62.60	81.56	80.01	73.25	72.46	71.05	64.97
9	61.05	59.90	54.98	81.73*	80.17*	73.40*	75.17	73.74	67.41
10	69.56	68.25	62.59	77.77	76.30	69.85	70.49	69.16	63.21
11	69.40	68.09	62.45	81.73	80.17	73.40	73.50	72.11	65.97
12	69.40	68.09	62.45	74.74	73.35	67.04	69.64	68.33	63.53
13	70.56	69.24	63.57	75.45	74.05	67.70	75.40	73.97	67.65
14	70.63	69.32	63.52	80.99	79.47	72.75	71.78	70.39	64.36
15	71.50	70.16	64.31	81.20	79.66	72.93	75.40	73.97	67.65
Average	68.88	67.00	61.46	79.28	77.77	71.16	74.27	72.86	66.63

*See Figure 1.

RETAIL VALUES OF A SAMPLE OF LAMB CARCASSES*



* RETAIL WEIGHT BASIS FOR NORTHEASTERN UNITED STATES, FEBRUARY 28 - MARCH 4, 1966.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 5439-68 (1) ECONOMIC RESEARCH SERVICE

Figure 1

Index to 1967 Issues

Cattle and Calves

Calf crop--MAR., NOV.
 Cash receipts--AUG.
 Cycle and inventory--AUG., NOV.
 Feeding:
 Costs and returns--MAR., NOV.
 Number on feed:
 Regions--FEB., MAY, AUG., NOV.
 U. S.--FEB., MAY, AUG., NOV.
 Number of feedlots--FEB.
 Placements--FEB., MAY, AUG., NOV.
 Imports--FEB., MAY, OCT., NOV.
 Marketing and placements of cattle on
 feed--FEB., MAY, AUG., OCT., NOV.
 Number on farms:
 By class--MAR.
 Rank of States--MAR.
 Total--MAR.
 Outlook:
 Mid-year--AUG.
 1968--NOV.
 Prices:
 Cows--FEB., MAR., MAY, AUG.,
 OCT., NOV.
 Fed--FEB., MAR., MAY, AUG., OCT.,
 NOV.
 Feeders--FEB., MAR., MAY, AUG.,
 OCT., NOV.
 Spreads--FEB., MAY, AUG., OCT.
 Production:
 Beef--FEB., AUG.
 Fed beef--FEB.
 Live weight--FEB., AUG.
 Slaughter and production:
 Calf--FEB., MAY, NOV.
 Class--FEB., AUG., OCT., NOV.
 Cows--FEB., MAR., MAY, AUG., OCT.,
 NOV.
 Fed cattle--FEB., MAR., MAY, AUG.,
 OCT., NOV.
 Weights:
 Dressed--FEB., NOV.
 Live weight--FEB., MAY, OCT.
 Steers--FEB., MAY, AUG., NOV.

Hogs

Cash receipts--AUG.
 Cold storage holdings--MAY
 Farrowings:
 Distribution--FEB., AUG.
 Number--FEB., AUG.
 Pigs saved--FEB., AUG.
 Regions--FEB., AUG.

Hog-Corn price ratio--FEB., MAY, AUG.,
 OCT., NOV.
 Long-run adjustments--AUG., NOV.
 Number on farms--MAR., MAY, OCT., NOV.
 Outlook:
 Mid-year--AUG.
 1968--NOV.
 Pig crops--FEB., MAY, AUG., OCT.
 Prices:
 Farm--FEB., AUG., NOV.
 8 market--FEB., MAR., MAY, AUG.,
 OCT., NOV.
 Production expansion--OCT., NOV.
 Seasonality--AUG.
 Slaughter:
 Price--AUG., OCT., NOV.
 Supplies--FEB., MAR., MAY, AUG.,
 OCT., NOV.
 Weights--AUG., OCT., NOV.

Meats

Canned meat--AUG.
 Consumption--FEB., MAY., AUG., NOV.
 Edible offal--AUG.
 Foreign trade--FEB., MAY, AUG., OCT., NOV.
 Import quotas--FEB., MAY, AUG., OCT., NOV.
 Prices:
 Retail--MAY, AUG., NOV.
 Wholesale--FEB., NOV.

Sheep and Lambs

Cash receipts--AUG.
 Feeding:
 Costs and returns--MAY
 Number on feed--FEB.
 Feeder supplies--FEB., AUG., OCT.
 Imports--May
 Inventory liquidation--MAR., AUG., NOV.
 Lamb crop--MAR., MAY, AUG., NOV.
 Live weight of production--AUG.
 Number on farms--MAR., NOV.
 Outlook:
 Mid-year--AUG.
 1968--NOV.
 Prices:
 Fed--FEB., MAR., MAY, AUG., OCT.,
 NOV.
 Feeder--FEB., MAR., AUG., OCT.,
 NOV.
 Slaughter--FEB., MAR., MAY, AUG.,
 OCT., NOV.
 Wool and mohair--MAY, AUG.

Supply and distribution of meat, by months, July 1967 to date

Meat and Period	Commercially produced							
	Supply				Distribution			
	Produc- tion 1/	Begin- ning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian Consumption	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Per person 2/
Beef:								
July	1,603	276	133	7	265	50	1,690	8.7
August	1,739	265	136	7	245	71	1,817	9.3
September	1,648	245	138	7	243	58	1,723	8.8
3rd quarter	4,990	276	407	21	243	179	5,230	26.8
October	1,728	243	137	8	247	62	1,791	9.2
November	1,618	247	119	7	267	41	1,669	8.6
December	1,593	267						
4th quarter	4,939	243						
Year	19,996	307						
Veal:								
July	59	12	1	1	11	3	57	.3
August	68	11	1	1	9	5	65	.3
September	66	9	1	3/	9	6	61	.3
3rd quarter	193	12	3	2	9	14	183	.9
October	71	9	1	3/	11	4	66	.3
November	64	11	1	3/	11	3	62	.3
December	55	11						
4th quarter	190	9						
Year	750	11						
Lamb and mutton:								
July	48	15	7	3/	13	3/	57	.3
August	54	13	9	1	11	1	63	.3
September	55	11	12	1	11	3/	66	.4
3rd quarter	157	15	28	2	11	1	186	1.0
October	55	11	9	3/	13	3/	62	.3
November	50	13	15	3/	15	3/	63	.3
December	49	15						
4th quarter	154	11						
Year	635	17						
Pork:								
July	838	293	32	9	239	17	898	4.6
August	1,012	239	31	11	199	29	1,043	5.4
September	1,046	199	27	13	203	17	1,039	5.3
3rd quarter	2,896	293	90	33	203	63	2,980	15.3
October	1,156	203	30	15	250	30	1,094	5.6
November	1,144	250	29	10	279	15	1,119	5.7
December	1,095	279						
4th quarter	2,395	203						
Year	12,375	234						
All meat:								
July	2,548	596	173	17	528	70	2,702	13.9
August	2,873	528	177	20	464	106	2,988	15.3
September	2,815	464	178	21	466	81	2,889	14.8
3rd quarter	8,236	596	528	58	466	257	8,579	44.0
October	3,010	466	177	23	521	96	3,013	15.4
November	2,876	521	164	17	572	59	2,913	14.9
December	2,792	572						
4th quarter	8,678	466						
Year	33,756	569						

1/ Includes custom slaughtering for farmers beginning in 1966. Data are not comparable with other years. 2/ Derived from estimates by months of population eating out of civilian food supplies. 3/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1966		1967		
		November	December	October	November	December
CATTLE AND CALVES:						
Beef steers, slaughter	Dollars per					
Chicago, Prime.....	100 pounds	25.51	24.90	28.13	27.61	27.47
Choice.....	do.	24.94	24.50	26.97	26.51	26.45
Good.....	do.	23.91	23.80	25.83	25.52	25.17
Standard.....	do.	22.55	22.57	24.01	23.59	22.96
Utility.....	do.	21.07	20.86	22.31	21.29	21.07
All grades.....	do.	24.93	24.49	26.95	26.46	26.38
Omaha, all grades.....	do.	23.70	23.38	25.69	25.19	25.10
Sioux City, all grades.....	do.	23.72	23.37	25.67	25.14	25.15
Cows, Chicago						
Commercial.....	do.	16.84	16.20	15.88	15.07	15.70
Utility.....	do.	16.53	16.40	16.68	15.89	16.09
Cutter.....	do.	15.81	15.82	16.30	15.39	15.44
Canner.....	do.	14.31	14.25	15.48	14.44	14.68
Vealers, Choice, S. St. Paul.....	do.	30.82	30.54	31.22	28.76	29.23
Stocker and feeder steers, Kansas City 1/.....	do.	24.18	24.28	24.91	23.90	23.68
Price received by farmers						
Beef cattle.....	do.	20.90	21.00	22.30	21.30	21.70
Cows.....	do.	15.40	15.40	15.80	14.90	15.40
Steers and heifers.....	do.	22.90	23.10	24.20	23.60	24.00
Calves.....	do.	25.20	25.30	26.30	25.60	26.10
Beef steer-corn price ratio 2/.....	do.	19.0	17.2	23.5	24.9	23.7
HOGS:						
Barrows and gilts, U.S. No. 1, 2 & 3, Chicago						
200-220 pounds.....	do.	21.33	21.47	18.98	---	---
220-240 pounds.....	do.	20.98	21.08	18.72	18.07	18.15
240-270 pounds.....	do.	19.94	19.64	18.36	17.48	17.42
All weights.....	do.	20.59	20.20	18.61	17.88	17.82
Barrows and gilts, 8 markets 3/.....	do.	19.87	19.67	18.16	17.36	17.29
Sows, Chicago.....	do.	16.79	15.21	16.33	14.86	13.64
Price received by farmers.....	do.	19.30	18.90	17.90	17.00	16.60
Hog-corn price ratio 4/						
Chicago, barrows and gilts.....		15.7	14.2	16.2	16.8	16.0
Price received by farmers, all hogs.....		15.3	14.7	17.2	17.5	16.1
SHEEP AND LAMBS:						
Sheep	Dollars per					
100 pounds						
Slaughter ewes, Good, Chicago.....	do.	7.50	7.50	6.25	6.25	5.78
Price received by farmers.....	do.	6.84	6.78	6.10	6.19	6.30
Lamb						
Slaughter, Choice, Chicago.....	do.	22.67	22.75	23.09	22.75	22.45
Feeder, Choice, S. St. Paul.....	do.	21.58	22.75	21.32	21.98	22.25
Price received by farmers.....	do.	21.50	21.60	22.00	21.80	21.90
All meat animals:						
Index number price received by farmers						
(1910-14=100).....		324	323	330	316	318
MEAT:						
Wholesale, Chicago, Less than carlot	Dollars per					
Steer beef carcass, Choice, 500-600 pounds.....	100 pounds	41.21	41.66	---	---	---
Lamb carcass, Choice, 45-55 pounds.....	do.	50.00	50.49	52.98	53.82	53.14
Fresh pork loins, 8-12 pounds.....	do.	50.21	49.06	47.31	44.21	45.28
Retail, United States average	Cents					
Beef, Choice grade.....	per pound	82.8	83.6	86.0	86.0	86.1
Pork, retail cuts and sausage.....	do.	69.5	67.7	67.9	66.1	65.4
Lamb, Choice grade.....	do.	86.1	84.5	89.7	90.2	89.9
Index number all meats (BLS)						
Wholesale (1957-59=100).....		103.4	104.9	105.8	103.2	104.1
Retail (1957-59=100).....		114.5	113.4	115.6	114.5	114.1
Beef and veal.....		111.4	111.9	115.5	115.5	115.7
Pork.....		119.1	114.9	116.6	113.3	111.4

1/ Average all weights and grades.

2/ Bushels of No. 3 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Chicago, all grades.

3/ Chicago, St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.

4/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1966		1967		
		Nov.	Dec.	Oct.	Nov.	Dec.
Meat animal marketings						
Index number (1947-49=100)		142	126	160	141	122
Stocker and feeder shipments to						
8 Corn Belt States	1,000					
Cattle and calves	head	1,325	705	1,468	1,287	668
Sheep and lambs	do.	126	111	300	150	92
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	2,285	2,257	2,433	2,253	2,214
Steers	do.	1,126	1,149	1,234	1,117	1,127
Heifers	do.	576	573	647	588	580
Cows	do.	551	506	518	516	478
Bulls and stags	do.	32	29	34	32	29
Calves	do.	384	366	383	357	323
Sheep and lambs	do.	896	905	1,007	899	869
Hogs	do.	6,200	6,215	6,684	6,431	6,100
Percentage sows	Percent	7	7	6	7	7
Average live weight per head						
Cattle	Pounds	1,043	1,058	1,027	1,038	1,051
Calves	do.	189	182	194	180	180
Sheep and lambs	do.	104	105	102	103	105
Hogs	do.	246	246	242	245	246
Average production						
Beef, per head	do.	603	614	597	600	611
Veal, per head	do.	105	100	108	100	100
Lamb and mutton, per head	do.	51	52	49	50	52
Pork, per head	do.	155	154	151	154	155
Pork, per 100 pounds live weight	do.	63	62	62	63	63
Lard, per head	do.	25	26	26	26	25
Lard, per 100 pounds live weight	do.	10	11	11	11	10
Total production	Million					
Beef	pounds	1,374	1,382	1,449	1,349	1,349
Veal	do.	40	37	41	35	32
Lamb and mutton	do.	45	46	49	45	45
Pork	do.	952	955	1,009	987	944
Lard	do.	163	165	172	168	154
Commercial slaughter ^{1/}						
Number slaughtered	1,000					
Cattle	head	2,827	2,763	2,977	2,782	2,691
Calves	do.	575	535	556	526	464
Sheep and lambs	do.	994	992	1,116	999	957
Hogs	do.	7,175	7,255	7,686	7,492	7,129
Total production	Million					
Beef	pounds	1,650	1,642	1,728	1,618	1,593
Veal	do.	72	64	71	64	55
Lamb and mutton	do.	50	51	55	50	49
Pork	do.	1,094	1,106	1,156	1,144	1,095
Lard	do.	182	183	190	187	172
Cold storage stocks first of month						
Beef	do.	253	273	243	247	267
Veal	do.	8	9	9	11	11
Lamb and mutton	do.	20	18	11	13	15
Pork	do.	171	206	203	250	279
Total meat and meat products ^{2/}	do.	509	565	530	584	637

^{1/} Federally inspected, and other commercial.^{2/} Includes stocks of canned meats in cooler in addition to the four meats listed.

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